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Telecommunications Development Project Noted

AU1701133895 Tirana RILINDJA in Albanian 12 Jan 95 pp 1,3

[Report by Astrit Patozi: "Promising Steps for the Future of Telecommunications"]

[FBIS Translated Text] The legacy of a very underdeveloped infrastructure, often in lamentable condition, has been the main handicap dogging rapid economic development, and remains a very serious obstacle to attracting foreign investment to Albania. Telecommunications inevitably take a "place of honor" in the backward Albanian infrastructure. They are in appallingly poor technical condition and poorly distributed throughout the country. Their equipment is worn out.

The Depressing Reality of Albanian Telecommunications

There are at present only 55,000-56,000 telephone subscribers in Albania. Compared to other countries of East Europe, Albania has the lowest density of telephones: 1.4 percent. Put more clearly, only 1.4 out of every 100 Albanians can talk to each other by phone. Meanwhile, Poland and Romania, two of the most backward countries in the East, register levels of between 7 and 8 percent. The figures for developed European countries vary between 20 percent and 25 percent, while heading toward the breathtaking figure of 40 percent.

To this low number of subscribers and poor saturation, one must add the poor condition of the network and the existing exchanges, nationwide. Most of them are utterly worn out. It is worth adding that 40 percent of the country's villages are without telephone links.

Achievements of the Last Two Years Raise Hopes

Nevertheless, such discouraging figures have not prevented the start of work to rapidly overcome this situation, which might fairly be called an emergency that nevertheless also paves the way for development. There is no doubt that the drafting and approval of a master plan to be realized in the period 1992-2002 is the key to the future of Albanian telecommunications, bringing them out of their crisis and ensuring their modernization. This gigantic project has been divided into three phases with the ultimate aim of reaching a telephone density of 10 percent, i.e. 200,000 subscribers. A timetable for the spread of telecommunications has been drawn up with regard to the level of development and the importance of different areas of the country, starting with Tirana and concluding with remote mountain districts.

In addition to this, an important achievement in the last two years has been the extension of automatic dialing to the towns of Tirana, Kavaje, Korce, Shkoder, Durres, Gjirokaster, and most recently Berat and Vlore. This successful measure was followed by the installation and inauguration last November of a new national and international transit exchange involving an investment of 3 million Swiss francs granted as aid by the Swiss Government. Another important and promising event was the construction in the capital city of the first post office in Albania using magnetic cards. This will be followed by other such centers throughout the country, to be built in towns connected to the automatic telephone network.

First Phase of the Master Plan Crystalizes

The signing on Tuesday of a contract between Albanian Telecom [Telekomi Shqiptar] and Alcatel Siette, the Italian branch of the powerful French firm Alcatel, provides for the construction of a telephone cable network in the city of Tirana and is an important step toward realizing the first phase of the master plan for telecommunications in Albania. This contract is to be completed in 22 months, and the new cable network is intended to meet the present and future needs of Tirana. Aleksander Biberaj, deputy general director of Albanian Telecom, told RILINDJA that this network will be able to provide telephone links for about 50,000 new subscribers. Tirana at present has about 11,000 subscribers, and the completion of the first phase of the master plan will triple their number, to 33,000.

According to Biberaj, the master plan's first phase aims to modernize telephone connections between Tirana and 14 other main Albanian towns. The project provides for the construction of a new telephone network, the installation of new exchanges, and the construction of a new transmission system that will include Tirana and the 14 other towns. The first phase of the project is expected to be completed by the end of next year, but Biberaj underlines that Albanian Telecom's directors aim to bring forward the deadlines for the master plan's three phases. The successful conclusion of the first phase at the end of next year will mean an additional 60,000 telephone subscribers throughout Albania.

It is thought that investments in the first phase of the master plan will amount to about $50 million, of which $15 million, allocated solely for the construction of the telephone cable network, are funds granted by the Albanian Government. The remainder of the funds for investment include $10 million in credit from the European Bank, 13.6 billion Italian lira in long-term credit granted on preferential terms by the Italian Government, 9 million Swiss francs in aid from the Swiss Government, etc.

The contract signed last Monday [9 Jan] by Kujtim Rama, general director of Albanian Telecom, and Antonio Belli, director of Alcatel's Italian branch, follows one signed some months ago with the French company Alcatel that provided for the installation of new telephone exchanges with a capacity of 42,000 subscibers, of which 33,000 will be in Tirana alone.

However, Biberaj explains further that it will be necessary to wait for the final completion day before all subscribers can be connected to the new network. He says the completion of each main line will be accompanied by the connection of a certain number of subscribers, thus completing the connections stage by stage, in keeping with the very high demand for telephones.

Thus, the prospects for better telephone communication seem satisfactory and not too distant. No doubt modernization will begin in Tirana, where the demands and needs are greater than anywhere else.

Berisha Hosts Reception for Diplomats, Foreigners

LD1701225495 Tirana Radio Tirana in English 1900 GMT 17 Jan 95

[FBIS Transcribed Text] At a reception, President Sali Berisha put last night to the diplomatic corps accredited in Tirana and to representatives of international organizations operating in our country, year 1994 was valued as the year of the further consolidation of democracy; as the year of establishment of closer contacts between Albania, Europe, and the world: and as the year of great efforts and sacrifices of the Albanian people.

During year 1994 the democratic reforms made further progress in all fields in Albania. Among them, Mr. Berisha mentioned the attainments in the field of law and in the improvement of the state of taxes. The note to the referendum of 6 November 1994 for the approval of the new constitution of Albania was considered by President Berisha as the sign of the value and genuine maturity of democracy in Albania. Analyzing the results of the market economy, he said that though the most modest one in the world, the Albanian economy has scored dynamic micro-economic figures.

Considering the integration to Europe as the main aim of Albanian policy, President Berisha said that during 1994 Albania showed up its determination to closely cooperate with other countries. Albania, he said, signed a series of treaties—important political, economic, military, cultural agreements with the EC countries, with the United States and other friendly countries.

In regard to the relations with the neighboring countries, he said that the constant aim of Albanian policy has been the establishment of correct relations and the friendly cooperation ties with them. Through our policy we have tried to contribute to peace, stability and to the lowering of tension in the troubled Balkan region, President Berisha said.

Further on, he expressed the profound gratitude of Albanian nation for the aid, great solidarity, and understanding of the government and citizens of those countries they represent, have provided Albania during 1994. This aid was considered by President Berisha as an aid of firsthand importance. He considered the situation in the troubled Balkan region as grave and threatening one and as neuralgic problem to peace for the Albanians in Kosovo. Mr. Berisha thanked the governments which sponsored and supported the latest resolution of UN General Assembly on Kosovo, considering it as the testimony of the ever greater internationalization of Kosovo issue.

President Berisha stated that during 1995, priority will be put to the privatization of the big state enterprises, to the further attraction of foreign investments in Albania, to the improvement of infrastructure and promotion of export. The approval of the Penal Code, of penal procedure, will be an important pillar of the state of justice during 1995.

Main object of foreign policy of Albania will be the integration of the country to Europe through the development and consolidation of democracy, through the state of justice, market economy, the extension of regional cooperation and the correct solution of the national issue. Albania will adhere to its policy of the preservation of peace and non-alteration of borders by means of violence. I am convinced that the realization of this target will enjoy the support and cooperation of the EC countries and other friendly countries, said President Berisha at the reception put to the diplomatic corps accredited in Tirana and to representatives of the international organizations operating in our country.

Kozloduy Reactor Switched Off 'Temporarily'

AU1801122695 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 18 Jan 95

[FBIS Translated Text] Reactor No. 3 of the Kozloduy Nuclear Power Plant was temporarily switched off in the early hours of 18 January, for technical reasons related to the functioning of the turbogenerator. There has been no change in the radiation level. All other reactors, except No. 6, which is functioning at 50 percent of its capacity, are functioning at full capacity, Veronika Magdaleeva reports. We expect more details but, according to the experts, reactor No. 3 will resume normal activity soon.

VMRO-SMD's Karakachanov on Balkan Policy

AU1701145095 Sofia STANDART NEWS in Bulgarian 11 Jan 95 p 18

[Interview with Krasimir Karakachanov, secretary of the Internal Macedonian Revolutionary Organization-Union of Macedonian Societies, by Nevena Andonova; place and date not given: "Bulgaria Needs Strong National Formation to Right of Center"]

[FBIS Translated Excerpt] [Andonova] Do you think that the 37th National Assembly will look the same at the end of its mandate as it looks today?

[Karakachanov] I am almost convinced that the Bulgarian Socialist Party [BSP] will not repeat the mistakes the Union of Democratic Forces [SDS] made, and will not relinquish power easily. During the first two years, the BSP will have to prove whether it can or cannot rule. Perhaps there are strata within the BSP that will disagree with the way the BSP will rule, or circles that are to the right or the left of the BSP. In addition, the Socialists have coalition partners who are not important social factors. Nevertheless, under certain conditions and in case of a failure in ruling the country, they could seek a different variant for themselves. Many things could happen in the next four years, but I am convinced that this parliament will complete its entire mandate. There is no longer a place for balancing factors in this parliament. Only satellites would have a place in it. [passage omitted]

[Andonova] As far as I know, the Internal Macedonian Revolutionary Organization-Union of Macedonian Societies [VMRO- SMD] has two deputies. This was your "minimum-program...."

[Karakachanov] This must not be underestimated, especially against the background of the fact that we had only four candidates. Generally, we never posed the issue of the number of our candidates. We did not seek any correlation between the number of our people on the lists and the authority and size of our membership (which are huge when compared to certain fictitious parties within the SDS). The important thing for us was to reach an agreement in principle. The conditions we set the SDS for such an agreement included forming no preelection coalition with the Turkish separatist Mehmed Hodja; assuming certain commitments toward the refugees from Macedonia [the Former Yugoslav Republic of Macedonia—FYROM] and Thrace, holders of unpaid bonds; and composing an all-national program that would be defended in parliament. [passage omitted]

[Andonova] Would the SDS guarantee your voice in parliament in exchange for what you accomplished during the election campaign?

[Karakachanov] Every deputy has the right to legislative initiative. Our deputies will be fully loyal to the SDS parliamentary faction, but they will report to the VMRO-SMD Executive Committee rather than to the SDS National Coordinating Council. In addition, changes are taking place in the SDS. It is still not clear whether the SDS would head toward forming a blue party, or would sink into partisan and personal quarrels. Would the unequal party, members of the coalition, continue to block each other? I have become convinced that the SDS supporters are not divided on a party principle. They are united by the general idea. Bulgaria needs a strong national formation to the right of the center. The elections demonstrated that the SDS is not the most suitable formation. Their problem is whether they will select the coalition or the party principle. Our problem is to construct our own organization. [passage omitted]

[Andonova] What are your expectations of the Socialists' foreign policy? Could the opposition influence this policy?

[Karakachanov] If an absolute majority decides to conduct a policy coordinated only with its own views and interests, then even God cannot help. However, if the BSP is sincere in its talk about national unity and so forth, it should listen to competent people in the opposition in connection with anything related to the national priorities, foreign policy, especially the Balkan policy, and, more specifically, the attitude toward Macedonia and the Bulgarian communities across the border.

[Andonova] What are your concerns in this sphere?

[Karakachanov] I am afraid Bulgaria could head in the political direction of Moscow-Belgrade. This would never be in our interest.

[Karakachanov] It is no secret that the BSP has pronounced Slavophile and Eastern Orthodox priorities in its foreign policy orientation. If the Socialists enter the sphere of imprudent emotions and actions, they could commit fatal mistakes. Personally, I am not opposed to cooperation with Serbia, providing our interests are categorically protected.

Two axes exist in the Balkans: the Ankara-Tirana axis, which apparently will be joined by Skopje, and the Athens-Belgrade axis, which is joined by Bucharest. The United States and Russia stand behind those traditional axes. At present, Bulgaria is excluded from those schemes, or at least no first-rate importance is attributed to us. It would be stupid to "surrender" to one of the two axes. They made their offers, but also presented claims for certain commitments. One of the axes is predominantly Islamic; the other traditionally anti-Bulgarian. Consequently, we must construct our presence in the Balkans so that we can associate with our neighbors on the basis of specific bilateral interests. This is totally realistic in Bulgarian-Macedonian relations. [passage omitted]

Walesa Arrives in Prague, Meets With Officials

LD1701183695 Prague Radiozurnal Radio Network in Czech 1700 GMT 17 Jan 95

[FBIS Translated Excerpt] The Polish president started his two-day visit to the Czech Republic in Prague today. Eva Hulkova and Miroslav Karas report:

[Hulkova] The morning part of the visit took place at Prague Castle, where President Walesa was officially welcomed with military honors. Following their talks, the two presidents briefly met journalists. President Vaclav Havel said, among other things:

[Begin Havel recording] I have met President Walesa many times. President Walesa has also been here in Prague, at Prague Castle, several times. Together with some others we even did away with the Warsaw Treaty here. Nevertheless, this visit by the president is his first official state visit to the independent Czech Republic. We are very glad that the president allowed time for this visit because it is taking place at a time when we have a lot to tell each other. Our two delegations had talks today, and, apart from briefing each other on the situation in our countries, we paid attention, for the most part, to topical questions of a general nature—that is, questions concerning the European setup. [end recording]

[Karas] Polish President Lech Walesa noted: I used to come to your country, above all, to destroy what had oppressed us, what did not serve the needs of our peoples. Today I am coming in order to build. There are many common themes, and that is why our countries will come together even more. [passage omitted]

[Hulkova] President Walesa also had a discussion with Prime Minister Klaus in his residence in Dejvice. Vaclav Klaus said the following about the talks:

[Begin Klaus recording] The talks concerned our own experiences in connection with the development of the two countries—the Czech Republic and Poland. The president was very interested in my explanation of the differences taking place in the two countries. He was very interested in how it was possible that the unemployment rate in the Czech Republic was so much lower than in Poland. Then we also talked about the current internal Polish situation, the mutual and apparent public argument between the prime minister and the president. These were the main topics. [end recording]

[Karas] Lech Walesa also met parliament speaker Milan Uhde. [passage omitted]

[Hulkova] Lech Walesa and delegation are leaving for Ostrava, Olomouc, and Cesky Tesin tomorrow.

Havel, Walesa Hold Joint News Conference

LD1801105195 Prague Radiozurnal Radio Network in Czech 1000 GMT 18 Jan 95

[Report by Eva Hulkova on joint news conference by Czech President Vaclav Havel and Polish President Lech Walesa at Prague Castle on 18 January]

[FBIS Translated Text] Vaclav Havel said Lech Walesa is a symbol and leader of the Polish people's resistance against totalitarianism. He noted, among other things, that the two countries have reason to be intensively interested in the questions of integration into the European structures. He said, in this connection, that he expects the Czech Republic to join NATO before it joins the European Union [EU], for three reasons: first, preparation for NATO membership is, after all, less demanding than for the EU; second, belonging to the alliance would mean firm security anchoring of our Republic and would create a situation for concentrated work for the preparation of membership in the EU; and, third, it is high time to talk about membership in the alliance because the situation is complicated by the conflict in Russia, and later talks could be even more complex.

Vaclav Havel told President Walesa that the intention of the Czech Republic is to hand in its EU application before the end of this year—that is, on the eve of the EU intergovernmental conference, at which the new structure of the EU will be discussed.

Lech Walesa also considers NATO and the EU topical themes. He said that the two countries have done a great deal to speed up integration into these structures.

Vaclav Havel understands this visit, among other things, as a demonstration, toward the West, of good relations with Poland, which he described as this extraordinary strategically important country.

Lech Walesa added: The more we present our views, the less talk there will be about us without us.

Belgium's Dehaene Seen To Favor Czechs Over Poles

BR1701153295 Brussels LA LIBRE BELGIQUE in French 17 Jan 95 p 5

[Article by Michel Rosten: "'Indissoluble' Links"]

[FBIS Translated Text] Having arrived in Prague the previous day, early on 16 January Jean-Luc Dehaene met with Vaclav Klaus, with whom he apparently enjoys a relationship of trust tinged with esteem. Pointing out the excellence of bilateral relations, the Belgian prime minister stressed that the two parties were determined to improve still further upon such relations and that, with this in view, "personal relations could play a part."

This apparently trivial remark should in fact be taken seriously. It indicates that dialogue with Prague will remain easier than with Warsaw, Polish Prime Minister Pawlak having apparently appeared a rather frosty figure to Dehaene, while Lech Walesa disturbed him with his populist talk. In fact, it seems that Polish Foreign Minister Olechowski was the only one seen as a suitable partner, and he has since resigned.

It also shows that the most complex problems are not approached on the basis of theoretical data alone. Over recent years, Prague and Budapest have enjoyed favored treatment from Brussels, due in particular to the reassurance the Czechs and the Hungarians have been able to give to investors. This will no doubt continue, save for any political change in Warsaw, which is in fact quite likely.

Economic Priority

This way of proceeding no doubt lacks a certain even-handedness. But, when you consider that elective affinities can also play a part in international relations, it is disquieting to see that European integration made possible by the collapse of communism is being organized on the basis of economic criteria that have assumed priority over a political vision that is no more than an appendage.

Unbridled commercialism is the message. Dehaene was right in welcoming the fact that Belgium is now the fifth-largest investor in the Czech Republic. He felt himself to be on the same wavelength as Vaclav Klaus, to such a degree that he sought to reassure him of the "irreversible" nature of the process of integration into NATO and European Union [EU] structures. He even added: "Our future is indissolubly linked." By contrast, he has shown no more concern than his colleagues at the mediocre political morality that reigns in Prague governmental circles. Creeping censorship, large-scale corruption, spying by the special services of the coalition parties, etc. That is where the shoe pinches.

Thus, at a time when the Fifteen are thinking of defining the criteria on the basis of which candidate EU members could learn of the conditions for accession and take the appropriate measures, at a time when they are embarking upon this process of reflection and adaptation, there is certainly a need to respect values other than those that currently determine any judgment of the quality of bilateral relations—namely, the spectacular rise in imports and exports.

Sees Start of EMU in 1997

BR1701155895 Brussels DE MORGEN in Dutch 17 Jan 95 p 14

[Unattributed article: "Small Group of EMU Countries Can Begin in '97"]

[FBIS Translated Text] Belgian Prime Minister Dehaene and his Czech colleague Vaclav Klaus see the integration of the countries of Central and East Europe into the European Union [EU], NATO, and other international organizations as "a historic, dynamic, and irreversible process." Further EU enlargement will require "adjustments" on the part of future and present members, believes Dehaene. To date, any further Union enlargement requires the acceptance of the "Community patrimony." This is unrealistic in the case of further enlargement. Dehaene pointed out, however, that Belgium rules out any question of discarding the whole Community system. The single market will become irreversible with the creation of the Economic and Monetary Union. Because of the economic recovery, Dehaene is again more optimistic about a possible EMU start-up date. He does not exclude the possibility of making a beginning with a small EMU group in 1997. It is rumored that French President Mitterrand will also support this view when presenting the French EU presidency today.

Belgium is the fifth-largest investor in the Czech Republic, where 134 Belgian companies have already invested or acquired companies as part of the privatization process. The field is led by Glaverbel, which has six glass factories in the country, representing an investment of 3.5 billion Belgian francs [BFr]. The CBR has also invested BFr3 billion in a cement factory, two concrete factories, and 12 stone quarries. Delhaize has already invested BFr200 million in a dozen Delvita supermarkets. Belgian exports to the Czech Republic increased from BFr7 billion in 1992 to BFr14 billion in 1994. This produced a Belgian trade surplus of BFr5 billion.

Klaus Assesses Reform Process, Prospects

AU1701130295 Prague EKONOM in Czech No 1 (5-11 Jan 95) pp 11-13

[Interview with Prime Minister Vaclav Klaus by Eva Klvacova and Jan Prikryl; place and date not given: "The Prime Minister's Mission Is To Create Positive Expectations"]

[FBIS Translated Text] *An interview with Prime Minister Vaclav Klaus in the first issue of EKONOM has become a tradition. We met for such an interview also this time. The questions concerned the assessment of economic transformation after five years and prospects for the new year 1995.*

[EKONOM] Looking back at the past five years of economic transformation, what do you appreciate most of all?

[Klaus] I assess the results from the viewpoint of changes in institutions, in the climate, in expectations, and in the way of thinking. On no account do I assess them primarily according to the growth rate of the GDP or other macroeconomic indicators. This is not to say that these macroeconomic quantities are secondary or that it makes no sense to assess them. Quite the contrary, the macroeconomist inside me attentively monitors and analyzes all of these indicators. But the most substantial change of all is the transformation of the system. This systemic transformation has, in its basic part, really been completed, which I appreciate most of all. Not everything took the course I would have wished, for which I had voted, and for which I was pushing, but I think the results are not too far from what I myself would consider optimal.

[EKONOM] How has the role of the state in the economy changed in the period we are discussing? Are you satisfied with its present role, or do you believe it should undergo some more changes?

[Klaus] I would raise this question one level higher. The public domain has declined in a revolutionary way in our country, against the private domain. In other words, there has been a tremendous reduction in the role of the state, a tremendous reduction in the dimension, contents, and weight of politicized matters versus matters that are subject to everyday decisionmaking by autonomous participants in society and the economy. This is the first, fundamental change. I would say that, from the viewpoint of the system, the position of the state in the economy in the Czech Republic is identical to the position of the state in the standard countries of West Europe. From the viewpoint of subsidies policy, industrial policy, research and development policy, and export and import policy, we do not interfere any more than they do. Our government interferes in the economy perhaps even less than a standard West European government. This is an accurate reflection of today's political and ideological structure of Czech society and of the government this country has.

[EKONOM] Yet some critics reproach you for the absence of state interference. We know that industrial, research and development, export and import, and all other policies destroy market signals, establish unequal conditions for businesses, and enforce the interests of someone's lobby. Nevertheless, all Western governments practice such policies. Why do we not?

[Klaus] The reasons against various special treatment policies that you cited are standard and well-known arguments, and I would fully endorse what you said. But there is one extra argument, which, I think, is not adequately described in economics textbooks or is described in them inaccurately. It is the impossibility, the genuine impossibility, of implementing such a policy efficiently. Day by day I and, I believe, other government members experience tremendous frustration when we are supposed to decide on matters that belong to this type of decisionmaking. Although we are not completely stupid, completely sloppy, and completely irresponsible, often we must decide arbitrarily. We thus experience frustration from having to decide whether we should rescue Vagonka Studenka by buying from it a few more railroad cars for the Czech Railroads, frustration from having to decide whether we should help demonopolize the production of pianos by supporting one privatization project for the Petrof company or another, frustration from having to decide on the telecommunications rates. You know well that the state simply cannot do such things and is not even able to learn to do them. And, if someone cannot do something and is not able to learn it, either, it is better that he not do it.

[EKONOM] Essentially, this is still the same task as that tackled under the previous system—for which practical solution to a problem should the state opt when it lacks both sufficient information to make a decision and the ability to analyze the available information in real time.

[Klaus] The centralized system of the type we had before at least had the "advantage" that government decisions were essentially practicable and enforceable—of course, with all the reservations caused by the changing authority of the plan and by enterprises' resistance, but, in principle, the enforceability was there. Today, quite naturally and correctly, we do not have this capability.

[EKONOM] Moreover, there is the problem of the government bureaucrats lacking economic incentives...

[Klaus] This is yet another plane of the problem. I think that, when there is a consultative meeting of government ministers, the fact that we lack economic incentives or are indifferent does not represent the dominant problem. Of course, we are not tangible owners who will jump out the window when their company goes bankrupt. That goes without saying. I would dare say that the problem in our decisionmaking is not that we would lack interest, a good intention, a certain broader perspective, and knowledge or anticipation of the causal relations. The problem lies in the nature of the task being dealt with. Of course, a certain arbitrary element cannot be ruled out even in the case of purely macroeconomic decisions, and that is good. I vividly remember the debate about the devaluation of the koruna held four years ago, in December 1990. Opponents of devaluation from among [then Deputy Prime Minister Valtr] Komarek's followers wanted—if I am to exaggerate, and I beg you not to interpret the exaggeration as ill-intentioned—a German mark for three korunas. The IMF, the World Bank, and our central bank wanted the koruna to be devalued to 32 korunas per dollar. It was I who had to make the decision then, without yielding to pressure from either side. At that time I managed to push through my position against both sides.

[EKONOM] In your speech in the Czech Parliament [on 6 December], you appealed to deputies not to accommodate local interests and warned against the danger of society's bureaucratization and the expansion of red tape. What can be done against these phenomena, apart from appeals for moral responsibility?

[Klaus] First of all, I think it is necessary to speak about the whole problem again and again and to keep explaining it. Privatization, liberalization, and deregulation no longer represent the problem today. The problem of the present time is the endeavor of local, lobbyist interests to gain, figuratively speaking, a bigger slice of the social pie than they have been getting. In other words, their endeavor is not to contribute to the enlargement of the whole, not to bake a bigger pie. I draw attention to this over and over again because I am concerned about the fragility of the whole, of *das Ganze* [German term used], as [former German Chancellor] Ludwig Erhard called it. I am worried that fragmentation of the country is taking place here. I expressed this anxiety also in the article "Counting Down to One" that was recently published in LIDOVE NOVINY. I was responding to a polemical article by Professor Brockl, whom I otherwise hold in great esteem, in which he accused me of underestimating the immanence of partial interests, of underestimating the so-called civic society. I feel that I still have not managed to explain that my fear and my striving for the wholeness of society have nothing in common with centralism, that these are words from two different categories. Therefore, it is necessary to explain, explain, explain over and over again.

The other issue is the need to combat the hypertrophy of bureaucratic structures in our very young society and economy, their potential sclerosis. We must not allow the excessive institutionalization and monopolization of various partial interests and their acquiring a legal platform.

[EKONOM] Let us return to the delineation of the state's role in the economy and, more specifically, in the transforming Czech economy.

[Klaus] The role of the state in the economy is an eternal bone of contention between liberalism and nonliberalism. The first large wave of argumentation in favor of state interference dates back 200 or 300 years. At that time, the idea was conceived that the state must uphold the system, lay down its rules, and act as the referee whose whistle will simply enforce the observation of this or that rule. That was the first breakthrough into the world of pure liberalism.

The second principal reason for the state's becoming involved in society and the economy was the sphere of so-called public assets. This was 100 or 200 years later. At that time, everyone realized that the state must administer the railroads, for example, or postal services, and some other matters. The dispute about how far the domain of public assets should reach is an eternal one, but we at least avail ourselves of instruments enabling us to discuss these matters rationally.

The third wave of the state's new role in the economy is a product of this century and, more precisely, of the great economic crisis of the 1930's. At that time, it seemed that the state must carry out macroeconomic regulation and steer the economic cycle. The Keynesian doctrine was born.

The fourth wave or, if you want, the fourth step toward the expansion of the state's influence on the economy is rigid socialism, under which the state does absolutely everything for the citizen, thinking and acting on his behalf. Following the velvet revolutions, the world has become one, in which the fourth step has been rejected, it is hoped, once and for all, or at least for the foreseeable future. However, the first three reasons for the state's presence in the economy remain.

[EKONOM] What is your attitude toward supranational institutions, and how important are they for the Czech Republic? I am thinking, for example, of the IMF, the World Bank, and the OECD.

[Klaus] Membership in all of these institutions or cooperation with them has two basic functions. The first is the function of a psychological effect and signal. It confirms the normalcy and standard nature of our country. We do not stand aside and discuss matters and problems from within, and not from the outside. I think this makes up 90 percent of the effect of membership of these institutions. The institutions feel offended when they hear this figure, this assessment of their significance for us. We sought membership in these institutions, and you know that we became members of the IMF and the World Bank in a historically short time, only a few months after the consummation of the political change. Nonetheless, I insist that the significance is primarily demonstrative. For the same reason, we also need to become a member of the OECD. In the IMF, we are one of 170 countries, while in the OECD we will be one of 25 countries. The demonstrative effect of this step, its effect as a signal, is immensely important.

The other effect is practical—consultancy activities and contribution from the viewpoint of capital inflow. However, this second effect is far smaller than the first one, constituting about one-tenth of the overall effect. The ratio for the other transforming countries may very well be different. But even when I speak with the prime ministers of Moldova, Georgia, and Belarus, they mostly have the same or at least a quite similar view regarding the significance of supranational institutions.

[EKONOM] The moment of the Czech koruna's full convertibility is drawing close. What will be the costs and benefits of convertibility?

[Klaus] I do not think that full and absolute convertibility is the biggest and most important short-term goal. Rather, it has possibly become a goal because some problems are being politicized and, hence, simplified. Rather than speaking about convertibility, I myself always consistently speak about further steps in the deregulation and liberalization of our monetary, exchange rate, and financial relations. Each deregulatory step has its benefits and its costs. I view the issue of convertibility as a continuous process, not as a leap from one place to another, or from one epoch to a different epoch. Yes, we are going to continue the processes of deregulation. At which time we will fit into which of the textbook definitions of convertibility is for me a secondary issue.

[EKONOM] Will it be feasible and will it make sense to maintain the koruna's fixed exchange rate under its full or substantially expanded convertibility?

[Klaus] Of course, it holds generally true that a fixed exchange rate is nonsense in the long term because the exchange rate is one of the most important prices in the economy, and no price can be permanently stable, fixed, and unchanging. But the short term is a completely different matter. In the span of a very short time, we have ventured upon extensive liberalization processes. All prices are seeking their place, their balanced level. We have had in our country a few years of complex shifts in prices, wages, and interest rates. Economic theory says that, to be able to carry out such liberalization steps, we need one fixed point. There are several potential fixed points, and economic theory names them. And it is becoming apparent that the exchange rate is the best nominal anchor. That is why we selected it. The question is when you get past the point where the advantages of the nominal anchor outweigh its disadvantages and reach the opposite. I believe we are still at a point at which the advantages of the fixed nominal exchange rate clearly prevail.

And I also believe that considerations of this issue in our country are far too simplified. If I were to speak about macroeconomic considerations, there it is said: "When there is a fixed exchange rate, you need something that is not fixed to play the adaptive role." We keep saying that the nominal exchange rate is fixed, while the real exchange rate is changing. The price level is moving faster in our country than in countries against whose currencies we have a fixed exchange rate, and the adaptive role is thus played by the price level. In other words, if today's nominal exchange rate is not balanced over the long term, it requires an upward movement of prices, which actually explains today's inflation. If we shifted the exchange rate, we would be able to reduce inflation, the argument goes.

[EKONOM] Is that not the case?

[Klaus] No. I do not fully trust this argumentation because the argument is being transposed from the debate about advantages of the fixed and floating exchange rates into debates about causes of the price movement. This is a field in which I feel at home. I would formulate the alternative hypothesis that our present price movement, by which I mean the annual price growth of up to 10 percent, is caused neither by imbalance of aggregate demand nor by an erroneous exchange rate. I am fully convinced that it is caused by the post-liberalization price adaptation, a process that still has not been wound up. We have a downward price rigidity, a downward wage rigidity, and a downward cost rigidity. The adaptation of relative prices cannot become manifested in other than a moderate upward price movement. The result is, more or less, an inflation of up to 10 percent, which I consider to be basic and fully reflecting the situation and structure of our economic system. Even if we turned macroeconomic policy upside down, we would not be able to eradicate and abolish this inflation. No movement of the exchange rate can eliminate it. This is why the above argumentation, which comes mostly from certain groups around the central bank and from the international institutions about which we spoke a while ago, is an expression of failure to grasp the causes of today's price growth in our country. The economic loss we would incur from an upward movement of the exchange rate—I am thinking of an upward movement of the nominal exchange rate, in exports, in the balance of trade, in the balance of payments, and the like—would be far greater than the benefit, and the effect on the price level would be negligible.

[EKONOM] What should budgetary and monetary policy be like this year?

[Klaus] Budgetary policy should undoubtedly be the policy of a balanced budget. Dreams about monetary policy being hamstrung by the fixed exchange rate and not having enough space, which is why the time is drawing near to reassess the nonmonetary [nemenova] policy of the state, are unrealistic. Everything ultimately always boils down to the slogan that the state should implement a progrowth policy and accelerate the supply side of the economy, as though this would make the problem with the amount of money in the economy disappear. This is not the case.

[EKONOM] Why do you refuse to implement progrowth policy? You would earn the opposition's praise for it.

[Klaus] The state is not going to do it because it cannot do it, does not know how to do it, and does not want to do it. Even if it did it, the effects would fail to materialize. The current state budget surplus has not been caused by excessive growth of revenue but by the fact that even expenditure items obtained through defiance (during the drafting of the state budget) are not being fulfilled. Every year, investments are the expenditure item being fulfilled to the smallest degree because the state cannot invest money. The state is able to waste money, but it is not able to invest it efficiently. Let us give the surplus to the population through transfer payments, for the population to show through its demand what it wants to consume. This is always better than the state creating demand. Hence, budgetary policy must be the policy of a balanced budget. Naturally, there must be a clear tendency toward the state budget taking up an increasingly smaller proportion of the GDP. We are systematically carrying out this slimming down of the state budget in relation to the GDP. I know that some radicals claim that in Hong Kong the budget is smaller in proportion to the GDP than in our country. I believe, however, that more important is the continuous decline of the ratio that we register in our country and the fact that this ratio is still not only economically but also socially tolerable.

[EKONOM] Let us return again to the issue of monetary policy. What will it be like in 1995?

[Klaus] Monetary policy should, naturally, see its main enemy in inflation. This is absolutely obvious, and the central bank plays and surely will continue to play its relatively conservative part, which I think is correct. I have the feeling that our ignorance of the true volume of economic transactions carried out in this period of transformation, as well as our ignorance of the speed at which money circulates, leads the central bank to what I consider to be a somewhat conservative view of the matter. I do not feel the need to be cautious as strongly as the central bank does. And I do not think that, on my part, this is the standard behavior of a less responsible prime minister, who does not know and cannot imagine the problems in which the central bank is engulfed. This clash is described in standard textbooks, but I do not think this is my case. I am probably the person who has written the most about the optimal amount of money in the economy of all the people devoting themselves to this problem in our country.

I think that, as far as the rate of inflation is concerned, we should manage to push it down 1 or 2 percent. I do not set myself any bigger targets. It is the same as with losing weight. In the first weeks, you easily lose kilograms, but later it becomes difficult to shed even grams.

[EKONOM] The year 1995 will also be the year of restructuring for the social system. What substantive changes will be carried out in the social system?

[Klaus] The unreconstructed social system causes us considerable problems. The basic element of the reconstruction should be the transition, heralded a long time ago, from social benefits for everyone toward targeted benefits. Until now we have been caught in the eternal trap of belated, insufficient, and criticized indexations of social benefits of one kind or another. We will never be able to index benefits sufficiently if they continue to be paid to everyone. There will always be a fundamental clash over them between this or that political group and social representatives. I see no reason for the prime minister of this country, the governor of the central bank, or the owner of 10 houses on Vinohradska Trida to collect the children's allowance. As long as we continue to pay benefits to them, we will never be able to secure social benefits for those who really need them. The year 1995 should become the year of change in this area. The concept is ready.

[EKONOM] And what is your overall expectation for 1995?

[Klaus] It should be a quiet year politically. It is hoped it will not be an election year and that political teasing and bickering will not exceed the tolerable limit that gives me a few extra wrinkles from time to time. From the more general viewpoint, however, no extraordinary problems should arise. The posttransformation revival has started. The GDP grew 3 percent in 1994, and this year it should be a bit more. A greater number of people will come to palpably feel the real economic growth. All these are clear reasons for optimism. I do not say there will be a tangible improvement this year in every case, always, everywhere, and for each individual. But I insist that the overall trends will keep improving.

Havel Objects to Construction of Prague Hotel

*95CH0086C Prague PRAGUE POST in English
20 Dec 94 p 5*

[Article by Emma McClune: "Havel's Hotel Attack Irks City"]

[FBIS Transcribed Text] President Vaclav Havel has ruffled City Hall feathers by speaking out against the projected construction of a luxury hotel in downtown Prague. The hotel, Havel fears, is the result of insensitive planning that will mar the cherished character of the city.

In an open letter to City Hall December 1, Havel expressed fears that the 180-room Four Seasons Hotel—which will stand on the bank of the Vltava river just 200 meters (660 feet) from the Charles Bridge—will become a towering modern eyesore.

Citing other recent construction projects as examples of a growing trend toward insensitive planning, Havel warned that the Four Seasons project is "not the first of this kind...and there is a danger it won't be the last."

Mayor Jan Koukal and Havel have reportedly agreed to meet to discuss the project.

A 25-year leasing agreement for the site on Alsovo nabrezi was signed last February by Koukal and the vice president of the Canadian Four Seasons Hotel Group.

A public architecture competition was announced in August after conservationists objected to the initial plan, which had been put forth by a Canadian firm. The winning plan is to be announced Thursday, December 15.

A jury of City Hall and hotel representatives and five independent architects is close to a decision, said Vladimir Martinek, director of ProUrba, a local architecture company representing the Four Seasons.

Competition guidelines state that the plans must allow for 180 rooms. In his letter, Havel objected to the lack of a debate prior to the competition and wrote that the 180-room specification will ensure that the hotel towers above historic buildings in the area.

In response, both Koukal and Martinek said the leasing procedure was carried out properly. They emphasized that all documentation had gone through the correct legal channels. "I think the president was not fully informed about the project," Martinek said.

He added that the hotel will be a welcome addition to the area. "I am sure—and it is also the opinion of the jury members—that the hotel will develop and improve the whole environment."

Others disagree.

"Havel is absolutely correct in his opinion," said Dagmar Sedlakova, who heads the department of architecture at the Prague Institute for Monument Preservation. "The hotel will be too large and will spoil the atmosphere of the area," she said.

While sympathizing with the president's concerns, some city planning representatives are confused by his attack on the Four Seasons hotel and other recent projects.

Ivan Plicka, director of public and foreign affairs at the City Development Authority of Prague, said Havel has objected prematurely.

The hotel's plans must meet the requirements of a number of administrative bodies before it can even apply for planning and construction permits. And no construction can proceed without a go-ahead from the Prague Institute for Monument Preservation, he said.

Pavel Pirkl, director of the Prague Institute for Monument Preservation, said he regards the letter as an indication of the president's lack of confidence in current construction regulating bodies.

"Although I appreciate the president's interest, I think he shouldn't be so critical of all (construction) activities," he said. "Havel's just afraid, and he doesn't trust this project. I really don't know why."

Currently, around one-third of downtown Prague is classified as protected property.

"Because of these protection regulations, it's almost impossible that Prague will turn into a mass of new construction," Plicka said. "But we must understand that Prague is a town for people, and occasionally we must make some compromises. We cannot keep Prague as an open-air museum."

Proposal To Curtail Criminal Profits by Law

95CH0086E Prague PRAGUE POST in English 20 Dec 94 p 7

[Article by Eva Munk: "Proposal Aims To Clean Up Money-Laundering Operations"]

[FBIS Transcribed Text] In an attempt to crack down on money laundering, the government has proposed a package of new laws requiring banks, casinos, money exchange outlets and a host of other financial institutions to disclose out-of-the-ordinary transactions.

During the past year, the government has repeatedly come under fire in the national and foreign press for lacking a law to curtail transactions with criminal profits, or "money laundering."

The new law, which is slated to be debated in parliament early next year, corresponds closely to West European standards on financial regulations. Regulators add that it's in the nation's best interests to enact the law.

"If the Czech Republic were to continue to allow money laundering on its territory, it would lose economic, social and political credit," said Ondrej Kvacek, spokesman for the Czech National Bank (CNB). "There is a certain ethic that must be maintained, or the other institutions would shut you out."

The proposed law would slow the torrent of illegal money by requiring financial institutions to report "unusual" activities or transactions of more than 500,000 Kc to a special investigative section of the Ministry of Finance. The section, which is yet to be developed, would then have three days to investigate the transaction.

Although the Czech Republic has not yet joined the European Convention on the investigation and prosecution of money laundering, the proposed law corresponds closely to a 1991 European Union directive ordering member states to implement disclosure requirements for financial institutions.

Gerhardt Sabathil, who heads the political and economic affairs division of the European Council's delegation in Prague, said the legislation could be a positive step on the country's journey into the EU.

"It is quite right that the Czech Republic adopts something in line with the European Union directive," he said.

The European Union White Paper, which will outline the steps the country must take to become a member of the union, will certainly take the money-laundering law into account, he said.

But the law may not provide sure-fire protection against money laundering, if the experience of other countries holds true.

Germany, with an estimated DM 45 million daily turnover in drug sales, has had a similar law on its books since November 1993, but its success in bringing possible offenders to justice has been limited. Although almost 1,000 "unusual" transactions have been reported, authorities have not been able to thoroughly investigate the allegations in the two-day time limit allotted to them.

The Czech law's vagueness may also pose problems. Although the law requires that financial institutions report any "unusual transaction," it provides little definition of such a transaction, defining it only as any activity that "by its character, content or exclusive nature goes outside of the normal scope of character of transactions of a certain type of person."

CNB spokesman Kvacek said that in some cases, that definition should be enough.

"If someone brought you a suitcase full of money or if a company that has been depositing $1,000 per week suddenly brings in $1 million, that would be an unusual transaction," he said.

But Kvacek conceded that much of the responsibility for enforcement rests with the financial institution's employees, who have only their experience and instinct to guide them in identifying "unusual" transactions.

Critics of the law say that it's possible that financial investigations could harm the reputation of innocent business people.

Prime Minister Vaclav Klaus, who called the law "extremely difficult," stressed the importance of ensuring the protection of honest entrepreneurs through strict confidentiality requirements.

Cleaning up the Czech Republic's dirty-money reputation may also have its down-side in lost revenues.

"The economy doesn't differentiate between dirty and clean money," CNB spokesman Kvacek said.

Allowing illegal transactions to continue, however, can lead to loss of public faith in, and eventual total failure of, the banking system.

"When credit and financial institutions are used to launder proceeds from criminal activities, the soundness and stability of the institution concerned and confidence in the financial system as a whole could be seriously jeopardized, thereby losing the trust of the public," the European Council's 1991 directive warned.

Around $300 billion worth of criminal profits per year are disguised or "laundered" worldwide, according to the European Council, which held an international conference on money laundering in Strasbourg last month.

In a speech before the council, Czech Justice Minister Jiri Novak recommended wide-ranging international cooperation as the most effective preventive measure to break the economic power of criminal organizations.

Prague-Dresden Highway Agreement Ready

95CH0086D Prague PRAGUE POST in English
20 Dec 94 p 3

[Article by Maggie Ledford Lawson: "Prague-Dresden Link Gets the Green Light"]

[FBIS Transcribed Text] The Czech Republic and Germany have agreed on the site of a border crossing for a highway between Prague and Dresden, clearing a roadblock that has stalled the project for years.

Major construction on the highway, designated as a "priority corridor" by the European Union, should begin as soon as engineering and design work is finished. Completion of the Czech leg of the thoroughfare is possible by the year 2000, highway officials said.

The 100-kilometer (62-mile) section of the highway in the Czech Republic will have a minimum of four lanes, two in each direction, with an additional lane on some steep grades and on bridges. Three lanes in each direction are also planned in the vicinity of Prague.

"We expect dramatically increased trade between East and West as a result of the new highway," said Zdenek Semora, a policy specialist at the Ministry of Transportation.

Representatives of both governments wrestled with a decision over the best possible route through the mountainous area at the border before settling on a crossing close to the northern Bohemian village of Spicak, northwest of Usti Nad Labem.

Ecological considerations played a big role in the final decision, said Jaroslav Cipera, director general of the Directorate of Motorways in Prague.

The area is part of an environmentally protected zone in both the Czech Republic and Germany, with peat bogs and rare insects and birds, including the endangered wood grouse, all of which are "biologically precious," said Cipera.

An existing two-lane road crosses the border at Cinovec, a region of treacherous, steep terrain. Drivers going in either direction often must wait for hours.

"The road is particularly bad for trucks, and there are many accidents," said Jan Vitek, an adviser at the Ministry of Transportation.

Highway officials said they expect some 20,000-25,000 vehicles to use the road each day during the early years following its completion. If the road is linked to other highways in the European system, particularly in Austria, a "big increase" in traffic should result, said Rudolf Holat, a specialist in land communications at the Ministry of Transportation.

Cost estimates for construction are still being prepared, said Cipera, adding that much will depend on how many tunnels are needed. While one kilometer of highway costs an estimated 120 million Kc ($4.4 million) to construct, one kilometer of tunnel costs 800 million Kc, he said.

Vitek said some of the needed funds will come from sticker fees that will be required for vehicles that use Czech motorways and expressways beginning January 1, 1995. Owners of cars will pay 400 Kc per year, while truck owners will pay up to 2,000 Kc.

The government will also ask the EU for funding.

"If we can get a grant from the EU, we can speed up the project," Semora said.

The government turned down an EU suggestion that it finance the road through private channels. "It would have been necessary to levy high charges for use," Semora said.

The project should pay for itself in less than 10 years in savings on fuel, time and a decline in accidents, Vitek said.

State planners first began discussing a highway to Dresden in 1968, but the project languished during the later years of the communist regimes. After the 1989 revolution, talks started up again, but environmental issues raised by the newly unified Germany stalled the project across the border.

A 10-kilometer section of the road is already in operation near Prague, and two other short segments are under construction.

Parliament Reaction to Government Policy Statement

LD1701234095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 17 Jan 95

[FBIS Translated Excerpt] The Slovak Parliament's finance, budget, and currency committee today recommended approval of the government's policy statement and voting in favor of the government in a confidence vote. Sergej Kozlik, deputy prime minister and finance minister, talked about the basic economic and political direction of the policy statement. Deputy Prime Minister Katarina Tothova and Justice Minister Jozef Liscak defended the policy statement before members of the constitutional committee, which also recommends approval of the policy statement and thus also support for the government. My colleague Magda Pospisilova has recorded the most interesting comments. The first to give his opinion is KDH [Christian Democratic Movement] deputy Ivan Simko:

[Begin Simko recording] [Words indistinct] several opinions concerning the general and specific. I put a direct question to Deputy Prime Minister Tothova as to whether the government, supporting parliamentary democracy as it does, intends to change the constitutional system. I was given a rather emotional reply that they have never discussed this, and by that she meant representatives of their movement [Movement for a Democratic Slovakia—HZDS]. I do not know if I should interpret that as meaning there is no such intention. My question was strictly relevant, asking whether there were any ideas about changing the Constitution in this way. There is nothing about this in the policy statement. [end recording] [passage omitted]

[Correspondent Pospisilova] How would Deputy Prime Minister Katarina Tothova evaluate the discussion of the government's policy statement in the constitutional committee?

[Begin Tothova recording] I was most surprised by the comments about the part of the policy statement in which the government expresses the requirement for divine worship in the state language to take place over the entire territory of Slovakia. I cannot understand how deputies on the constitutional committee disputed this aim as expressed in the government's policy statement. It is surely obvious that citizens of this Republic, believers, have a right to receive their spiritual rites in their mother tongue. As for the other comments, the constructive ones among them we will naturally consider. [end recording]

Meciar on Invalidity of Moravcik's Privatization

LD1301205995 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 13 Jan 95

[Interview with Prime Minister Vladimir Meciar by correspondent Milan Velecky; place and date not given—live or recorded]

[FBIS Translated Text] [Velecky] An entire section of the Constitution defines quite clearly when the state is allowed to lay its hands on the private property of citizens. Prime Minister, is this why you did not vote in support of the bill during its first reading in the National Council, where you were a deputy at the time?

[Meciar] In accordance with a law passed in March 1994, the Moravcik government was obliged to submit a list of all privatized enterprises to the National Council. They violated this law and, therefore, the National Council was forced to deem all privatization measures implemented by that government to be in breach of the law.

[Velecky] Juraj Plesnik, the former secretary of state at the Ministry of Privatization, has pointed out that parliament did in fact discuss such a list.

[Meciar, interrupts] Allow me not to bother with Mr. Plesnik. As regards the second step, the prime minister sent a letter to the parliament speaker in which he stated that, in the period between the dissolution of the parliament and the forming of the new one, the government would not proceed with privatization. Yet, as soon as this was decided, the government went on with privatization quite happily. The point is not merely that the Moravcik government deceived the public and the National Council but, rather, that it was looking for ways of escaping social responsibility and made public scrutiny of the National Council impossible. Therefore, it was logical that, as soon as the new National Council was constituted, it drew conclusions from these developments and declared the privatization measures void.

The new government abolished the previous government's legislation by passing a law in the National Council. When the National Council did this and when it ruled that the associated measures were also invalid, it had in mind that the so-called tacit agreements were invalid, too. In the case of tacit agreements, somebody is doing the privatizing, but there is another agreement that comes to light only after several years and certainly after the parliament's life in office. In such cases, the parties to the tacit agreement are in fact partners—and the law has invalidated these agreements, too. Of course, the opposition is going to scream. After all, it is responsible for all this.

[Velecky] Talking about tacit agreements, members of every government have an opportunity to practice such arrangements, don't they?

[Meciar] It has been the duty of the legislative to act on the issue of tacit agreements and say: Gentlemen, this is invalid; and, just to be sure, all such agreements are invalid. Government members, whether members of the previous or present government, never had any right to benefit from holding a public office, except for their salaries, of course.

[Velecky] Frankly, allegations that this kind of thing was practiced by the members of the previous government have not been substantiated. Despite all these assertions, you, as a deputy, did not vote in support of the legislation abolishing Moravcik's privatization, either.

[Meciar] As far as I know, I abstained during the first round, and, when the second vote was taken, I was already in the government.

[Velecky] What were the reasons for your abstention?

[Meciar] Forgive me, but a deputy is entitled to vote in line with his conscience—and he certainly does not owe any explanations to any editor or institution.

Prime Minister on Government Economic Program

LD1301205595 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 13 Jan 95

[Interview with Prime Minister Vladimir Meciar by correspondent Milan Velecky in Bratislava on 12 January—recorded]

[FBIS Translated Excerpt] [Passage omitted] [Velecky] Let us concentrate on the economy. When drafting the government program, on several occasions you voiced the opinion that speeding up economic development will be based on public investment, such as construction of highways and apartments. This kind of investment is virtually nonexistent these days, perhaps not because of the nonexistent ministry of construction works but, more likely, because building projects require money. The program gives no information on how much money the government intends to put into the construction of highways and apartment buildings. Could this lack of information be explained by the absence of an agreement with the National Bank of Slovakia about the targeted emission of currency into this field?

[Meciar] This is not the issue in question. We have explained how it will be possible to provide funding. We have not talked about the amounts for the years to come not because we do not know how much we can give but, rather, because we do not know how much money will be effectively available. For example: For 1995, the value of offer for highway construction is 3.2 billion [Slovak korunas (Sk)], but effective availability of the funds is substantially reduced. [passage omitted]

[Velecky] Let us be a little more concrete. You indicated a sum of over Sk3 billion for this year. Where will it come from?

[Meciar] This concerns only the highways. Further sources available will go to telecommunications, something will go to the railways.

[Velecky] Let us stay with the highways. Where will you get the Sk3 billion?

[Meciar] It is realistically secured in the presumed resources. Something will come from the budget, something from the National Property Fund, but the essential part will be decided by a targeted [ucelova] emission of the National Bank of Slovakia, which will be managed not by the government but by an independent banking institution so that the political or social pressures on the government do not prevent effective and purposeful use of these funds. [passage omitted]

HNS Holds National Congress, Elects Chairman

AU1801075895 Bratislava NARODNA OBRODA in Slovak 16 Jan 95 p 2

[Article by "rm": "Rudolf Mosny: We Are Not Going To Negotiate With the Democratic Union on the Merger"]

[FBIS Translated Text] Kosice—The national congress of the New Slovakia Movement (HNS) was held in Kosice on 14 January. Its 30 delegates, who represented the movement's 2,000 members, authorized the HNS Republican Council Presidium to conduct talks on cooperation, confederation, and the merger with other political parties and movements. After the conclusion of the congress, HNS Honorary Chairman Rudolf Mosny told NARODNA OBRODA: "We are not going to negotiate with the Democratic Union [DU] on the merger because we want to remain an independent entity with right-wing orientation. Within the framework of our meetings, we will talk only about closer cooperation or a possible coalition, which we had already offered to DU before the early parliamentary elections. At that time, it turned down our offer," he said. For the first time since the founding of the movement, the congress elected the highest HNS representatives—Engineer Marian Kolnik was elected chairman, and four deputy chairman were also elected. The new chairman singled out negotiations on cooperation with parties with analogous programs and the consolidation and expansion of the membership base as the movement's main priorities. Rudolf Mosny could not run for the post of chairman because he is not a citizen of the Slovak Republic.

[Bratislava SMENA in Slovak on 16 January on page 2 carries a 120-word TASR report on the HNS congress, which identifies Juraj Lupsina, Pavol Jursa, Viliam Zavodsky, and Jozef Heriban as HNS deputy chairmen.]

Writer Accuses Czechs of Anti-Slovak Bias

95CH0083A Bratislava SLOVENSKE POHLADY in Slovak No 11, 1994, pp 1-4 sb

[Article by Vladimir Minac: "In a New Way—But How?"]

[FBIS Translated Text] When I think about the Czech Republic now, I do not think about the Prague of my youth, of sweet loves, lifelong friendships, moments of understanding, of contacts that enhanced life and for which it was worth living. I think only about Czech politics and Czech politicians. All the rest is overshadowed not by a conflict but by an injustice and a lie. It lies dead at the bottom of a cold lake.

Back when a form of sorts of a Slovak state began to take shape, which later, as far as power-sharing was concerned, was relegated to the level of a district administrative office, the dough so skillfully kneaded by the hands of Prague officials was baked into a strange loaf of bread, hollow inside—and the cats purred. At that time, the Prague democratizing elite, supported not only by the Slovaks of Prague but also by Slovak Praguers, devised a disgusting and insulting theory about a "knife in the back." Those Slovaks who wanted democracy not only for the citizen but also for the entire nation, who were tearing down the petrified unitary face of Czechoslovakia, who wanted to, and did, lay the foundation of a new Slovak statehood, were crude nationalists and murderers of democracy, bandits plunging a knife into the exposed back of Prague democracy. This vocabulary was used in newspapers by hundreds of Prague and other democrats. The gentlest warning in them was that we shall hang like Clementis.

At that time I became a nationalist forever, and many of my Czech friends, even my Czech women friends, were convinced that I was precisely the one who was holding that treacherous knife in his teeth. That is how I was portrayed by Czech publicists. When I returned to Prague after two decades, I was greeted by unchanged, dumb Czech unitarians with an unchanged, sick hatred. *Sunt certal denique fines*—everyone has his boundaries and limitations. That is the verso of the personality and the character of a nation: Czech limitations begin at the boundaries of Slovak freedom.

Since the times of Ludovit Stur, it has never been otherwise. Always there were the kindhearted Czech democrats and the malicious, ungrateful Slovaks, with that treacherous knife in their teeth, democracy against nationalism, culture against its lack, West against the East. The worst thing about our relations is not that they are broadcasting these simplistic truths to the whole world. The worst thing is that they themselves believe their old lie, that the whole nation is permeated by this old lie as by old, unerasable rust.

True, we are now feeling sorry for ourselves, but then we really do not have anyone now to whom to complain. We do not have a father or a mother. We have only ourselves, and so we commiserate with ourselves. We pity ourselves for how they shaved us clean without a razor, how they stole our ships and planes, how they left us with empty seas and empty skies, how, to continue the knife metaphor, they drove a knife into the heart of the engineering industry and, with a single blow, ruined the Slovak economy, how they craftily freed themselves from us, calling us rabid nationalists as well as the sick man of Central Europe. What an insolent web of lies and treachery! Antonin Sykora speaks in LITERANY TYZDENNIK about other strands in this web, which seem important to me but on which I do not dwell because they are too obvious. Klaus (and certainly others as well, I might add) was well aware that, "even after the CSFR [Czech and Slovak Federal Republic] is broken up he will be left with a substantial part of structurally undamaged material and intangible wealth—wealth in the form of an organizationally, professionally, and in regard to personnel coherent administration, entrepreneurial entities, entities for scientific, technical and investment development and planning, supplies of turnkey plants, foreign trade, a system of patent registration, foreign policy and diplomatic services, standardization, testing labs, currency, finances, banking, foreign trade, markets, business representatives and traditional contacts of well-established firms, including their names and logos."

They stole hundreds of billions from us fools, and now, standing on a Jacob's ladder that leans against no less than the European heavens, they are sending us their stench and false tears of hired mourners.

Now, two years after the division, the waters are slowly calming down, at least the surface ones that we can see. In addition to the surface waters, there are the bottom waters, as a dead friend and, I hope, a still living poet said. Rumors and lies about Slovakia and the Slovaks are omnipresent, consistent, and indestructible; sometimes, and often, it seems to us that individual campaigns against independent Slovakia are coordinated, directed, and paid for by a single mafia center. It is even worse: Most publicists, historians, and politicians who think, speak, and write about Slovakia believe what they think, say, and write. The lie about Slovakia has extremely long legs. It spans decades and not just the enemies of Slovak independence, but we ourselves feed it with our ineffectiveness, which is sometimes downright criminal. The lie about Slovakia and the Slovaks is firmly fixed in European historiography, in political science institutes that study East Europe. It is deposited in data bases, and every researcher looking for information finds a collection of lies. Nothing else exists.

At the meeting of the Peace Conference on 5 February 1919, a more recent data base of lies about Slovakia and the Slovaks was set up by the archenemy of Slovak independence, Dr. Eduard Benes, thus: "Slovakia became part of the Czechoslovak state. At the beginning of the 10th century, it was conquered by the Hungarians. The conquerors unsuccessfully tried to magyarize the Slovaks. The population to this day feels and thinks as Czechs and wants to belong to the new state. The Slovaks were never separatists. In Slovakia, the same language, the same thinking, and the same religion reigns. Nationalist fervor flared up only out of the enmity toward the Hungarians."

This mixture of stupidities and lies was unequivocally confirmed by presiding David Lloyd George, who concluded that there was no doubt whatsoever about the Czech claim on Slovakia. None of the victors had any doubts about what suited everybody. And so, in spite of Wilson's concept of the self—determination of nations, Slovakia was never discussed anywhere as a possible candidate for self-determination. Everybody accepted the revealed truth about the Czech-thinking Slovak nation, from which then sprang the next murderous lie about a Czechoslovak nation.

And so we became a Bantustan in the heart of Europe.

A Bantustan is not entitled to the truth. Benes's lie about a Czechoslovak nation became firmly embedded in the minds of Western intellectuals, in archives and historiography, in politics and reporting, and its specter haunts there to this day. And, what is worse, what is absolutely the worst thing about this, is that this lie was not just Masaryk's and Benes's, but also Derer's and Hodza's. Not even in a nation-building Slovakia was there any other truth but the Czechoslovak truth. The lie took control of schools and textbooks in university departments, history, language, propaganda, and public life. Today the Czechoslovak lie lives on in small Czechoslovak islands in Slovakia, in part of Slovak reporting and culture, and in the uninterrupted historical false conception of the entire Czech nation.

This is precisely where the treacherous bottom waters are, an enduring dirty torrent of false notions, false history, and false conception; Czech society, like Lloyd George in his time, considers Slovakia, without having any doubt about it whatsoever, to be its integral part and its separation an insult of history, its independence a nationalist crime.

That is why the past cannot be annulled. How could it be done? All the talk about drawing a big, thick line under it, after which then entirely new relations would begin, flows from the notions of either fragile idealists or cunning politicians. We shall not repair our relations if we do not make it clear to ourselves why we had to separate, if we do not realize for what different reasons relations developed as they did and what different consequences they had for both nations, if we do not agree that the different view of the history of our relations need not in itself mean hostility or hatred. Such understanding needs time, by all appearances a long time, the life span of one or two generations.

And yet, and yet, there was, after all, a real common journey over some miles of our history, a brotherhood of arms, a brotherhood of close cultures, and there is still the closeness of languages so obvious that even a Czech minister of culture managed to understand the Slovak language.

But always and everywhere, whether it concerns the common miles of our journey, the brotherhood of arms and cultures, even the closeness of the languages, everything was marked by inequality. Because of the fact that things were always deformed by the master-servant status and the view of the history of our relations is almost irreparably distorted, I do not know from which end we should start digging out the truth.

But maybe the remedy for our relations is not conditioned so much by the past and the understanding of it. Maybe the medicine for curing our relations is being prepared by the new inescapable realities that already are here today and that the future will bring. The Czecho-Moravian writer and dissident, Jan Trefulka, is reminding carefree, cosmopolitan Prague that the Czech lands are not only in an economic, but also in a political and cultural German encirclement, and even though carefree Prague blithely profits from its cosmopolitanism and does not heed the voices of the doomsayers, who, despite Prague's deafness, are increasing, in the end the feigned carnival will come to an end, and even Prague will wake up to a cold morning. The Slovak geopolitical status is still connected with the Czech one by the slender thread of Benes's decrees. What will happen when that slender thread breaks? Shouldn't we start thinking even now about common positions and common courses of action in foreign policy?

As far as culture is concerned, nothing revolutionary happened because the national cultures have been independent for a long time. And the closeness of the language, which in each country obviously has a different intensity, will not disappear in a year or in a century; this closeness is the prerequisite for constant learning about each other. As in the past, in Slovakia they read in Czech, and in the Czech lands they do not read in Slovak, as in the past the politburo, so today Czech capital controls part of the Slovak media. Nothing revolutionary happened after the revolution. Just as soon as we get the Bojnicky altar back, everything will be all right, says the glib Slovak minister of culture. Really?

Ministries Respond to Criticism of Mochovce Plant

AU1801075795 Bratislava SLOVENSKA REPUBLIKA in Slovak 16 Jan 95 p 2

[TA SR report: "Mochovce Last Nuclear Power Plant; Economy Ministry's Reply to Greenpeace Movement"]

[FBIS Translated Text] Bratislava—The Slovak Republic's energy concept up to the year 2000, which the government approved in August 1993, envisages in the long term the nonnuclear variant, taking into account the possibilities of fuel supplies, environmental requirements, questions of nuclear resources' safety and reliability, and the functionality of the electricity grid. The basic variant reckons, among other things, with the completion of all four reactor units of the Mochovce nuclear power plant. This is stated in a Ministry of Economy statement issued in response to a letter addressed by the Greenpeace movement to Prime Minister Vladimir Meciar and other government representatives. The results of studies worked out by independent agencies unambiguously showed that, by completing the nuclear power plant in Mochovce, after its nuclear safety is raised to the European standard, Slovakia will acquire the cheapest source of electricity in terms of the cost of generating one kilowatt hour. The claim that the V-1 nuclear power plant at Jaslovske Bohunice can be decommissioned even without completing the

Mochovce nuclear power plant is misleading and irresponsible. Slovakia is not contemplating the construction of any additional nuclear power plant besides Mochovce.

[Bratislava PRAVDA in Slovak on 16 January on page 3 carries a 150-word report on an interview given by Environment Minister Jozef Zlocha to TASR in response to the Greenpeace letter to Slovak authorities. In the interview, Zlocha asserts that, although he would prefer Slovakia to obtain electricity from nonnuclear resources, "at the moment Slovakia has no other possibility because nuclear power plants supply more than 50 percent of its electricity." Zlocha reminds Greenpeace that, at their meeting on 4 and 5 October 1994, the European Union environment ministers stated that nuclear accidents and not nuclear energy per se are dangerous for the environment. Zlocha also emphasizes the fact that nuclear power plants generate the cheapest energy, although he concedes that the cost of storing spent fuel and scrapping the nuclear power plants also have to be considered.]

Three Army Officers Arrested for Stealing Guns

LD1301213795 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 13 Jan 95

[FBIS Translated Excerpt] At 1700 today, Defense Minister Jan Sitek requested an opportunity to speak to Radiozurnal about a matter of extreme importance.

[Begin Sitek recording] The following information has been supplied by General Jaroslav Ivor, director of the Investigation Office of the Police Corps of the Interior Ministry of the Slovak Republic:

At 1800 hours on 11 January 1995, members of the special police unit stopped three cars on a trunk road in the Trencin district, an Opel Vectra and two Skoda Favorits, and arrested all three drivers. Fifty tank machine guns were found in the cars.

The investigator at the Regional Investigation Office in Bratislava has charged all three drivers with complicity in the criminal act of unlawful arms dealing.

During home searches of the premises occupied by the three men, the police found other machine-gun equipment—spare barrels, barrel covers, transport cases, cleaning kits, and other equipment.

Two of the men, 36 and 37 years old, are Slovak Army General Staff officers. The third man, 45, is a relative of one of the officers.

Investigations so far have failed to establish how the perpetrators acquired the machine guns, but I would like to emphasize that the weapons were stolen in November 1994 with the aim of selling them for profit on the black market. All three men were remanded.

This serious crime is being further investigated in close cooperation with the crime police, the Regional Investigation Office, and the military police. [passage omitted] [end recording]

Police Report Decline in Crime in 1994

AU1701213495 Bratislava PRAVDA in Slovak 14 Jan 95 p 3

[Article by Juraj Handzo: "The Crime Rate Has (at Long Last) Stabilized; 137,713 Criminal Acts Were Committed in Slovakia Last Year"]

[FBIS Translated Excerpt] Bratislava—The balance sheet of crime for 1994 and the Interior Ministry's main plans for the period to come were the key subjects of yesterday's news conference with Slovak Interior Minister Ludovit Hudek. [passage omitted]

Jaroslav Ivor, director of the Office of Investigations of the Slovak Interior Ministry's Police Corps, briefed correspondents on the results of an analysis of the state and development of crime last year. As he said, a total of 137,713 criminal acts were committed last year, 8,412 fewer than in 1993. Of this number, 51,237 criminal acts have been solved, which represents a clear-up rate of 37.27 percent (after 36.26 percent in 1993).

There was a gratifying decline last year in most types of crime. There was a slight reduction in economic crime (the police registered 7,177 cases, 1,753 fewer than the year before) and in property-related crime, which, however, still represents the decisive portion of criminal activity (a total of 108,341 cases were registered, 6,708 fewer than in 1993). Last year's statistics were filled with, among others, 129 murders (eight fewer than in 1993), 1,275 robberies (decline of 225), and 42,871 burglaries (decline of 3,411). In the same period, 9,137 motor vehicles were stolen in Slovakia (561 fewer than in 1993). On the other hand, there was an increase in the number of sexual offenses (their number went up by 117 to 710) and in the number of cases of rape—the police registered 213 cases, three more than the year before. [passage omitted]

Regarding the clarification of individual types of criminal activity, compared with 1993, there was an improvement in the fields of economic crime, sexual offenses, homicide, robberies, and rape, while the clear-up rate for property-related crime, burglaries, and thefts of motor vehicles declined. As a matter of fact, our police were least successful precisely in solving thefts of motor vehicles. The clear-up rate for this type of criminal activity reaches a mere 14.94 percent, compared with 18.73 percent in 1993. [passage omitted]

Statistics Show 98.6-Percent Fall in Emigration

AU1801075995 Bratislava NARODNA OBRODA in Slovak 16 Jan 95 p 4

[TASR report: "According to the Statistics, Slovakia Is Not Aging"]

[FBIS Translated Text] Bratislava—According to a Slovak Statistical Office estimate, the average age of Slovakia's population was 33.8 in 1994. Compared with the years 1993 and 1992, it declined by 0.6 and 0.3 years respectively. The average life span for men reached 68.7, 0.5 and 1.7 percent more than those preceding years. Women reach on average the age of 76.9, 8.2 years more than men. Slovakia's population increased by 22,000 in 1994, 1.3 percent less than in 1993 and 20.9 percent more than in 1992. A total of 100 inhabitants emigrated, which is a fall of 98.6 percent against 1993 and 99.2 percent against 1992, while 4,900 persons immigrated, which is a fall of 46.2 and 44.9 percent respectively. There were 68,400 live births in Slovakia in 1994, 6.7 and 8.3 percent down on the two preceding years. A total of 51,200 died, a decline of 2.8 percent against 1993 and 4.1 percent against 1992.

MDF Opposes Direct Presidential Elections

LD1701230295 Budapest Kossuth Radio Network in Hungarian 1600 GMT 17 Jan 95

[FBIS Translated Text] The Hungarian Democratic Forum [MDF] is opposed to direct presidential elections as a matter of principle, regardless of the nomination of any particular individual. This has been stated by MDF Executive Chairman Ivan Szabo at a press briefing in Szeged. Szabo said he does not consider it inconceivable for a Hungarian living abroad to fill a high political office in Hungary.

You will recall that Jozsef Torgyan wanted 87-year-old Ede Teller to be the president of the Hungarian Republic. His latest proposal has been to nominate Laszlo Tokes to the post.

Former PM Views Government Activity, Opposition

AU1701134795 Budapest NEPSZABADSAG in Hungarian 14 Jan 95 pp 1,8

[Interview with Peter Boross, former Hungarian prime minister and current deputy chairman of the Hungarian Democratic Forum, by Peter Vajda in Budapest; date not given: "We Might Have A Bipolar Political System"]

[FBIS Translated Excerpt] [Passage omitted] [Vajda] The local government elections do not seem to justify your expectation that the Hungarian Democratic Forum [MDF] would recover. What conclusions can one draw from this?

[Boross] It is perhaps more expedient, logical, and even important to ask about the political future of the intellectual and moral trend represented by the MDF, because this would lead to the idea of integration. The local government elections were the first test of this. These elections, already, have shown the force inherent in integration. [passage omitted]

[Vajda] Does the government activity give you any chances? The three opposition parties that advance together are disappointed by the government activity.

[Boross] It is strange to use the word "disappointment" in connection with opposition parties. I had a firm opinion of what could be expected as early as at the emergence of the coalition agreement, an agreement unparalleled in Europe.

[Vajda] Why is it unparalleled?

[Boross] It is unusually long. If the lack of confidence is so strong, it cannot be solved with a document either. Life can always produce situations in which an agreement does not clearly show the lines. Of course, one should add that a government is made up of individuals, and that nowhere in Europe is the government a gathering place for geniuses.

[Vajda] Obviously, this also refers to your own former government.

[Boross] Yes, but there must be three or four decisive personalities in every government. The current government failed to include such people, primarily from the period of the Nemeth cabinet, people who could have lent greater prestige to the government activity. Additionally, according to the Hungarian Constitution, the prime minister plays a decisive role, so this is a prime ministerial government. The coalition agreement shows the opposite trend. It seems to me that the need to coordinate things also contradicts Prime Minister Gyula Horn's personality trends. I think he failed to adequately realize what there is in the Hungarian Constitution and what coalition agreement he signed. Therefore, he makes certain statements, and then another voice emerges within the government, a voice that questions his statement. It is hard to govern adequately under such circumstances.

Additionally, in my opinion, a government must have an image. Take, for example, the well-known issue of 10 billion forints for the Ministry of Education. If they promised the funds, they should have provided them, no matter what misunderstanding or misinformation was involved in the matter. The educational branch deserved it. It is possible that they will have to give the money anyhow, because they computed things wrongly and underestimated the inflationary effects. [passage omitted]

[Vajda] In addition to relations of greeting, are there any other relations between the former and the current prime minister?

[Boross] Yes, there are. I have already called on Gyula Horn to tell him my opinion about certain issues. I also intend to call on him again in the near future.

I must say that he received me very cordially, and I think nothing hinders the continuation of such a loose contact between us. [passage omitted]

[Vajda] Are you ready to make any political forecasts?

[Boross] My personal opinion is that the Alliance of Free Democrats [SZDSZ] has committed itself to the Left, at least as long as the current leadership controls the party. Because of its intellectual advantage, the SZDSZ forced upon its larger partner a program that cannot be called a classic socialist program. There are trends within both the Hungarian Socialist Party [MSZP] and the SZDSZ that do not like this partnership. However, I would probably answer positively the question as to whether or not this coalition will remain in power throughout the full legislative period. I would add, however, that we cannot exclude other scenarios either, if the economic situation becomes worse.

On our side, the future is what I already referred to: namely, an integration of the MDF, the Federation of

Young Democrats [FIDESZ], and the Christian Democratic People's Party [KDNP]. In other words, we can count on a bipolar political system. As for the future of such a bipolar system, I think that leftist liberal ideology, one formulated in principle by the SZDSZ in Hungary, is declining all over the world. The trends in the U.S. elections also show this. These intellectual trends will also make it into Europe. [passage omitted]

Radiation Detectors Being Installed at Borders bat[MAGYAR HIRLAP 17 Jan]

AU1701140095 Budapest MAGYAR HIRLAP in Hungarian 17 Jan 94 p 5

[Unattributed report: "Radiation Meters at the Borders"]

[FBIS Translated Text] By the end of this year, automatic radiation-measuring devices will be installed at most border crossing stations in order to protect the health of the guards and the illegal trade in nuclear isotopes—Jozsef Lajtar, economic director of the Border Guards, told us. He added that work has begun on installing automatic document readers and purchasing machine guns from the stocks of the former Workers' Militia.

The Border Guards had a budget of 10.8 billion forints in 1994. More than two-thirds of this was spent on personnel salaries and wages. Professional border guards received a 16-percent pay increase in 1994, while general employees received a 10-percent increase.

Hardly any money remained for development, because the implementation of the law on foreigners used up 800 million forints, while only 320 million forints had been allocated for this purpose.

The Border Guards can count on 12.5 billion forints from the budget this year. In real value, this is less than the amount allocated in 1994. At the same time, the number of recruits will drop by about 1,000, and this will bring a considerable savings. A total of 6,300 recruits, 9,200 professionals, and 2,800 employees will serve with the Border Guards by the end of this year. An increase in personnel will primarily affect the borders with Ukraine, Romania, and rump Yugoslavia. An additional five border guard units are planned for this year.

A radiation monitoring system will be installed at most border crossings in 1995 to prevent the illegal trade in radioactive materials and protect the personnel's health. (Only Zahony border crossing has such equipment today) There are also plans to install modern document-reading machines—probably at Hegyeshalom, Zahony, Tompa, and Biharkeresztes—machines that can simultaneously read the pictures, text, and possible codes in passports. This will make it possible to screen people banned from entry or under international surveillance. However, we can only count on such a system's covering all the border crossings at around the turn of the century. An automatic car-registration identification system is already in operation at the Gyula crossing—but, in most cases, stolen cars are not driven through the country with their original registration number. Therefore, it would be more expedient to install equipment that is capable of reading the signals transmitted by newly-manufactured cars. These signals provide information about the original registration number and chassis number of stolen cars, but the Border Guards do not yet have the means to receive these signals.

Technological development would also serve the interests of Western states, but so far, apart from promises, the Hungarian Border Police have not received much. So far, only some hand machines used to discover drugs and explosives have arrived.

Nuclear Waste Storage Sites Being Sought

LD1701222395 Budapest Duna TV in Hungarian 1700 GMT 17 Jan 95

[FBIS Translated Text] A nationwide research project has begun in Hungary to draw a map of areas that may be suitable for storing radioactive materials. At a press briefing by the body established to manage the project, we have learned that, on the basis of surveys carried out so far, districts of 120 settlements match the requirements.

[Begin recording] [Correspondent Mihaly Durko] The radioactive waste created in Hungary must be stored in Hungary, but there is a state guarantee that material from abroad that causes pollution cannot be stored in the country. Peter Ormai, representative of the Paks Atomic Power Station, considers it to be his most important current task to find a storage place for the power station's 15,000 cubic meters of waste—in view of the fact that, at some future point, the station will become obsolete.

[Ormai] The main sources of the low radioactive waste in the power station are the employees' used shoe-protectors, protective gloves, and other supplementary protective equipment, as well as replaced pipes and filters. The main sources of medium-level radioactive waste are the residue created by the water-cooling technology process, the residue left after crystalization, and the various ion-exchange resins.

[Durko] According to Hungarian standards, the fuel rods of the atomic power station cannot be considered waste, which means that their fate may be decided even after a 50-year-long storage. Experts currently consider 32 areas above the ground and 49 underground areas to be the most suitable for storing, but surveying continues.

Local governments that permit the storing of waste in their area can expect tax allowances, infrastructural development and jobs. However, if not a single local government agrees to the creation of waste grounds, the Paks Atomic Power Station will be forced to expand, temporarily, its own storage capacity, and the problem of finding places to store the radioactive waste will be left to the next generation. [end recording]

Judge Explains Rejection of Call To Resign

LD1701224595 Budapest Kossuth Radio Network in Hungarian 1700 GMT 17 Jan 94

[FBIS Translated Excerpt] Jozsef Eigner [chairman of the committee formed by the National Assembly to vet selected officials] will not resign from his post. He and the other two vetting judges have explained the decision by issuing a statement. Jozsef Eigner also held a news conference, confirming that he will not comply with the request by the parliament's National Security Committee. Listen to Attila Kert's compilation.

[Kert] [passage omitted] According to the judges, there are continuous, strong attempts to prevent vetting, while nothing helps implement the law. This is why the mere existence of the vetting committee is of outstanding significance.

In their statement the vetting judges list their legal arguments in nine points on why, in their view, a regisnation by Jozsef Eigner to comply with the call of the parliament's National Security Committee would violate, among other things, the principle of a constitutional state, legal security, the division of the branches of power, the parliamentary system, the independence of judges, and freedom of expression.

In addition to the above-mentioned statement, the judge in question has also issued an independent statement in which he reacted to attacks against his person. The essence of this is that he has never conducted show trials and that sentences passed by him have never been declared null and void by courts—only by a law passed by parliament in 1990. For that matter, the vetting law prohibits only the participation of judges whose sentences have been annulled by court decision, individually.

In addition to this, Eigner also said that, as far as he knows, the binding sentences in the cases objected to were not handed down by him, and that he handed downd the least serious sentences possible in all cases. [passage omitted]

Official Views Work Toward Privatization

AU1801122895 Budapest in Hungarian 17 Jan 95 pp 1,6

[Interview with Elemer Kiss, administrative state secretary at the Office of the Prime Minister, by Imre Bednarik; place and date not given: "The Government Is Determined To Accelerate Privatization"]

[FBIS Translated Excerpt] [passage omitted] [Bednarik] Hungary's integration into Europe is one of our long-term goals. Is it likely that a ministry for integration will be set up in the near future?

[Kiss] This is a matter of political decision. In my view, in the long run, the need to harmonize Hungarian laws with Europe will definitely make it necessary to establish a separate organization. However, at the current stage of integration preparations, it is sufficient to work on legal harmonization in various ministries concomitantly, with adequate coordination.

[Bednarik] The opposition parties have often expressed their view that, rather than a government commissioner, a minister without portfolio, who can be questioned in parliament, should be responsible for privatization. After the departure of Ferenc Bartha [former government commissioner] on 12 January, this request might arise again.

[Kiss] It is a mistaken belief that none of the members of the government can be questioned about privatization issues in parliament. The finance minister represents the ownership rights over state property. Therefore, [Finance Minister] Laszlo Bekesi bears governmental responsibility for privatization, and he can be questioned in arliament. There are no signs of the government's wishing to change this division of tasks. Actually, creating a position of minister without portfolio and the necessary offices would only incur further costs. [passage omitted]

[Bednarik] As a result of the wrangling about the privatization of the HungarHotels hotel chain, certain Western analysts believe that the privatization of state property might become slower, compared to previous years.

[Kiss] I deny this. The government is determined to accelerate the privatizations. The 1995 budget expects revenue of some 150 billion forints from privatizations. Fast and resolute privatization is needed to achieve this. The governmental inquiry into the HungarHotels privatization was a one-time case and highlighted the fact that legal requirements and realistic prices cannot be ignored even when state property is being sold. [passage omitted]

[Bednarik] Parliament chairman Zoltan Gal asked Prime Minister Horn at the end of December for the government to reexamine its legislative program. Gal finds it unrealistic to think that the 58 proposals the government wishes to submit can be discussed thoroughly.

[Kiss] The government has examined this issue and decided that it wishes to have all 58 proposals discussed by parliament. Therefore, the government is not in a position to reduce its legislative plan. However, it must be added that such programs have never actually been fulfilled in the past. The government's legislative program shows a direction: namely, the most important points where the government wishes to make changes. However, parliament has the final word.

[Bednarik] To what extent does the requirement of coordination among the coalition parties make the preparation of laws more difficult?

[Kiss] Coordination among the parties does not generally make legislative preparations more difficult. Naturally, exceptions do exist—for example, the draft media bill, where political considerations have priority. However, the government's internal procedures clearly define on which issues it is necessary to have agreement or coordination between the Hungarian Socialist Party and the Alliance of Free Democrats. So far, this coordination has been taking place without any disturbance. [passage omitted]

Broadcasting Company To Be Privatized in Feb

LD1701234295 Budapest Kossuth Radio Network in Hungarian 1700 GMT 17 Jan 95

[FBIS Translated Excerpt] Preparations have begun to privatize Antenna Hungaria, the sole Hungarian company that broadcasts. The State Assets Management Joint Stock Company will invite bids for a majority of the company's shares with a view to privatizing the company at the end of February. The state holding company has also made a proposal for the position of managing director. Julia Szamado reports:

[Szamado] [passage omitted] After examining four applications, the board of directors of the State Assets Management Joint Stock Company decided, at its meeting today, to propose to the company's special general assembly that Laszlo Hajdu be appointed the company's managing director.

Istvan Piroska, head of the company's secretariat, said that various multinational and national companies had shown interest in the company. However, a consortium of investors is expected to obtain the broadcasting and telecommunications company.

Profile Clinton Given Blamed for Brief Contact

AU1801120295 Budapest MAGYAR NEMZET in Hungarian 12 Jan 95 p 5

[Unattributed report: "The Question Marks of an Analysis—Background Material for Clinton on the Hungarian Prime Minister"]

[FBIS Translated Text] According to an article by American journalist Charles Fenyvesi in the MAGYAR NARANCS [HUNGARIAN ORANGE] of 12 January, before meeting with Gyula Horn at the CSCE conference in Budapest, Bill Clinton received information about the Hungarian prime minister that was less than flattering. According to the author, this explains why President Clinton spent so little time getting to know his host.

This negative evaluation originates from the confidential two- or three-page document known as a psychological profile or character sketch, a document formulated by U.S. Government experts. Generally, the president reads this document on the aircraft. According to Fenyvesi, the profile on Horn contains key words like "closed," "stiff," "not trustworthy," and "slippery." The text given to Bill Clinton also questions the general trustworthiness of the Hungarian prime minister, and, according to Fenyvesi under the subhead "drinking habits," the document says that "by East European standards Gyula Horn is not a heavy drinker [iszakos], but by American standards he could be regarded as a heavy drinker."

According to our information, the Hungarian-born Charles Fenyvesi is a journalist with U.S. NEWS AND WORLD REPORT and previously had a column called "Washington Rumors." In his articles, he has often published unfounded information about possible government changes. The strongly conservative Fenyvesi, who also used to have a regular column in the gardening section of THE WASHINGTON POST, has good relations with certain White House circles.

As in many other countries in the world, in Washington it is customary to provide the traveling president with an analysis of the head of the host country, an analysis based on various biased or unbiased sources. Thus, it cannot be excluded that the report that served as the basis for the Fenyvesi article in MAGYAR NARANCS actually made it into Clinton's hands.

According to Hungarian sources, the author's introduction has nothing to do with reality at all. Fenyvesi claims that it was precisely because of this "less than flattering" report on the Hungarian prime minister that Clinton spent so little time meeting with his host in Budapest. In reality, Bill Clinton only spent a few hours in Budapest on the occasion of the CSCE meeting, and his prearranged program was extremely hectic; nevertheless, he did find time to meet with Hungarian President Arpad Goncz and Prime Minister Gyula Horn.

The truth content of the Fenyvesi article in MAGYAR NARANCS depends greatly on the degree of authenticity of his sources—certain Washington circles have informed us, and also gave us to understand that the American press never publishes such confidential "diplomatic information."

We phoned the U.S. Embassy in Budapest and they told us that they do not wish to comment on the Fenyvesi article.

Asked about the article by MAGYAR NEMZET, government spokeperson Evelyn Forro said she finds it extremely unfortunate that MAGYAR NARANCS published such an emotional and subjective opinion, which far exceeds reality. However, the government spokesperson never reacts to such articles.

We also asked the coalition partner Alliance of Free Democrats for its position, but its leaders did not wish to comment on the article for the time being.

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Editorial Views PM Horn's Reputation in U.S.

AU1801083395 Budapest MAGYAR HIRLAP in Hungarian 13 Jan 95 p 7

[Editorial by Janos Desi: "Strictly Confidential"]

[FBIS Translated Text] The Hungarian prime minister is a drunkard, cheats at tennis, is not reliable. Anyway, he is slippery. In fact, he even tends to lie. This is the sort of description of [Hungarian Prime Minister] Gyula Horn that Bill Clinton, president of the United States of America, allegedly received before his trip to Budapest.

We've been shafted again, then. And this is unpleasant—even if it turns out to be merely the ill-will of a journalist. However, if it is true that the U.S. President spent his time reading this kind of literature on Air Force One on the way to Budapest [or the CSCE summit in December], then this will certainly not improve Hungary's interntional image.

Every self-respecting domestic publicist can say something bad about Horn. That is the way the democratic world is. The free press enjoys criticizing political leaders. We, ourselves, too, have written that Horn does not always carefully consider what he says, does not coordinate enough with his coalition partners, makes hasty decisions on certain issues, and so on. However, it has a different significance when the leader of a world power arrives at a meeting with such tactical instructions.

It is a question, of course, of how it was possible for the contents of the report to become public—if it is at all true that these were the contents. Even poker players are careful not to show their cards, and politicians are even more careful. If this report indeed exists, then let us not deceive ourselves: It probably did not become public by accident. The only question left to be answered is: For whom all this is useful? (For whom it is not useful is clear.)

When a leading politician comes here for negotiations, then whether or not the prime minister cheats at tennis, as the report says, is not the most important factor. The most important issues are what the country is like, what its role in world politics is, what sort of image it has, and so on. We can also get the answers to these question if we read the press of the past few days. The U.S. investor is withdrawing from buying the HungarHotels hotel chain because, after the agreement, at the prime minister's initiative, the conditions of the sale were changed. A leading world company is leaving the Hungarian diesel oil market because it feels that there is no point in competing with dishonest enterprises.

If this report was indeed made in the United States, then its political message—especially now, after the spectacular Conservative-Republican success—might also be that they have antagonistic feelings toward former (reform) Communists. Horn is relatively popular in the Western world because of allowing the East German refugees to leave. However, it is still a fact that he was a leading figure of the Kadar regime—and it is difficult to forgive this on the other side of the Atlantic Ocean at the moment. In the same way, the prime minister might also face criticism over there for his strong German affiliations. Naturally, all this is a matter for the Americans, and it is far more interesting to see to whom the airing of this report can be useful in Hungary.

At first glance, it might seem that all arguments that can be used against the Hungarian Socialist Party and its leader can be useful to the Alliance of Free Democrats [SZDSZ] in the dispute about the coalition. If, in the coming days, Horn tries to come forward with criticism of ministers and tries to say something negative about SZDSZ politicians, then it is enough to wink an eye and say: "Look who is talking...." Naturally, sober-minded people cannot believe that the Free Democrats would really want to harm their own prime minister. It was precisely Horn who included them in the government, where they might never have gotten on their own—not to mention the fact that the negative light will now affect the whole government and perhaps even the country, not just the prime minister. Responsible politicians would obviously not participate in such a game, even if they could gain from it for a short while.

It is a fact that the Free Democrat and Socialist leaders have had many debates in public. It is also true that the Socialists have a parliamentary majority, even on their own. An ally might be necessary for them politically, but not numerically. Therefore, the Free Democrats cannot take the coalition debate to an extreme. The moment might come when only the number of parliamentary deputies will matter, and then the Free Democrats can again occupy their old place among the opposition in the company of the Smallholders led by Torgyan [Independent Smallholders Party chairman] and the Hungarian Democratic Forum, right next to the Federation of Young Democrats. However, that would be another story.

Let us assume the worst about someone. If we can believe Charles Fenyvesi, a writer at the newspaper MAGYAR NARANCS [Hungarian Orange], he published this report—which was read by Clinton on the airplane—to deliberately discredit Horn. However, will all this damage Horn's reputation in Hungary? Let us examine the important claims: slippery, a liar. In Hungarian thinking, these are bad characteristics for an individual. In the case of politicians, however, this is almost part of the job. Has President Clinton proved to be reliable? The introduction of the health reform was his most important election promise, and he has no chance of this now.

Stiff: In other words, he is a resolute and steadfast Hungarian man who does not deviate from the goals he considers correct. This could even be mentioned among his positive characteristics. He was part of the Communist nomenklatura. We know that it is no longer fashionable in the Hungarian press to talk about people's past in the armed militia [pufajkazas].

He cheats at tennis. Well, we are human; we have faults. This actually also shows that he likes to win, and of course no one can become prime minister without this quality.

Drunkard: The report says that he is not a drunkard according to East European norms—only according to American norms. All this actually says is that East Europeans drink more than Americans. The prime minister is one of us, and he is living according to our norms. It would be otherwise good, both for the prime minister and for the citizenry, to live according to many of the American norms. However, this is not as simple as whether we drink a lot or a little.

If we consider the accusations seriously, it is not at all certain that making himself appear as an "ordinary son of the people" would damage the popularity index of a politician here.

However, I do not think that Horn will thank Charles Fenyvesi and those he suspects of being behind this article—because, for him, a longtime politician who is familiar with foreign affairs and has a routine, this article nevertheless says that he is not really popular in the United States. Not because of his drinking, but because of his past—and, perhaps a little because of his present.

Olechowski Details Differences With Pawlak

WS1701134595 Warsaw GAZETA WYBORCZA in Polish 16 Jan 95 pp 1, 2

["Questions" by Foreign Minister Andrzej Olechowski's addressed to Prime Minister Waldemar Pawlak: "Olechowski's Manifesto: Questions to Pawlak"]

[FBIS Translated Text] *Minister Olechowski chose our paper as a venue for asking the prime minister about the Polish reason of state and the future of Poland.*

"In the television program 'Pulse of the Day' on 3 January, and in a letter addressed to me, Prime Minister Pawlak formulated a series of critical remarks on foreign policy," writes Olechowski. The prime minister stated that "there were no differences in opinion as far as the general objectives of our foreign policy are concerned. There are, however, the usual differences on practical issues."

Careful analysis, however, has led me to the conclusion that these differences are in reality fundamental. This caused me to resign as foreign minister.

State interests demand that the main centers of power do not diverge in opinions on the Polish reason of state. The same position must also be shared by major political forces and public opinion.

Thus, in my letter dated 9 January (published without my knowledge), I appealed to the prime minister to clarify his position on the objectives and the means of foreign policy. Today, I would like to pose three questions.

Is NATO a National Objective?

1. Together with NATO's decision to expand, announced on 1 December 1994, Poland faced the prospect of becoming a member. It is self-explanatory how important that is for Poland. One cannot overestimate the benefits: joining the European community, solid guarantees of security, a milestone on the way toward a unified Europe.

Strong opposition against broadening the pact emerged. West European states were unwilling, inconsistent, or indifferent to the idea of expansion. The final decision was made due to the persistence of the United States.

This bodes ill for the expansion of the European Union [EU], which—due to its multidimensional character and the variety of the interests of members—will become even more complex. Moreover, EU does not have one specific leader state that could be the counterpart of the United States in NATO.

It may thus be concluded that it is easier to become a member of NATO, and that if we fail to do so, our membership in the EU will be rather unlikely.

Does the Prime Minister believe that membership in NATO is currently a top priority, a national objective which Poland should strive to attain as soon as possible? If so, do you not agree with the coalition deputies who regularly postulate that our membership should become a reality in the indefinite distant future?

What Is More Important: NATO or the Russian Market?

2. The final weeks of last year have clearly shown that Russia is indubitably against Poland's membership in NATO and is determined to take action in order to prevent it. Russian diplomacy was very active prior to NATO's December decision. It was successful enough to weaken support for our cause in several states.

Calling off Prime Minister Chernomyrdin's visit to Warsaw and the ensuing campaign to portray Poles as Russophobes and current Polish-Russian relations as very fragile (despite the counteraction we took) made a very bad impression that still lingers.

Russia will not give up its efforts, thus we may expect that as long as we continue our attempts to enter NATO (and the EU) Russia will sustain tension in bilateral relations, undertake action to destabilize these relations and Polish domestic policy, and create a negative aura around Poland.

To impede that task and prevent a breakdown in mutual relations we must carry out an active, coherent, and tightly coordinated Russian policy.

What is more important—swift membership in NATO, or the benefits of certain economic concessions made by Russia in exchange for our political compromise?

If the prime minister chooses the first option (as the second is hardly plausible), is he prepared to restore the normal conditions in which foreign services implement foreign policy in its entirety (under the constitutional control of the government, the parliament, and the president, of course)?

Our relations with Russia very clearly illustrate the lack of coordination in our foreign policy.

Action suggested by the Ministry of Foreign Affairs [MSZ], appreciated both by politicians and public opinion (projects "Wokulski," "Tranzyt," etc.) was not taken up by the government. Independent channels of dialog (beyond MSZ) with Russian officials were opened. Some deputies from the governing coalition openly criticize Polish MSZ in talks with the Russians. The Ministry of Foreign Economic Cooperation [MWGzZ] negotiates a politically frail agreement violating the statutory principle that MSZ be present. The prime minister does not consider it necessary to inform MSZ about details of his talks with the Russian prime minister, etc.

As a consequence, high Russian officials openly speak of the "good" prime minister and the "bad" foreign minister.

Does the prime minister share the view that it is absolutely necessary to limit the excessive involvement of the Office of the Council of Ministers [URM] in foreign affairs, and guarantee that the statutory competences of the MSZ, URM, and MWGzZ are observed?

Who Is To Represent Poland?

3. Foreign services are currently facing a very difficult task. On the one hand, they have to carry out technically difficult talks with foreign partners, win their trust, and canvass for the support of Western communities for our membership in their structures. On the other, they have to neutralize Russian activities without putting bilateral relations at risk. **Such tasks may be fulfilled only by foreign services that believe in the righteousness of these solutions, those that can win the trust of both foreign partners and domestic political forces.**

Contacts and negotiations on issues pertaining to NATO and political and economic cooperation within the EU can be carried out successfully only by people whose career history and political views raise the trust of foreign partners. That is a fact of life—one may disagree, but one cannot change that.

The prime minister and some of the coalition deputies exert strong pressure on MSZ to increase the influence of people with long-standing careers in the diplomatic services (meaning people who voiced completely different views than they currently do, which is well remembered in the West) and party members. Recommendations for people without a party past or not connected in any way with the current political system are rarely acknowledged.

Only diplomats trusted domestically can be successful. **Currently, however, Polish diplomats are systematically criticized and distrusted by coalition deputies.** I do not wish to discuss the infamous subcommittee report. What I mean to say is that many coalition deputies systematically undermine the credibility of particular diplomats in public. These activities are a manifestation of hostility and an ideological dispute, thus they raise questions and doubts from our Western partners.

Does the prime minister realize the impropriety of appointing individuals to key foreign policy posts, who were once actively against the very countries we now want support from and want to form alliances with? Does the prime minister wish to prevent members of his parliamentary club from discrediting diplomats with a Solidarity background?

How They See Us

One final rhetorical question. Actively seeking membership in Western institutions, we have become the object of keen observation and analysis in terms of our aptitude to join NATO and the EU. We have to keep that in mind in our domestic activities, in spheres important for those institutions.

Presenting the trends for Polish foreign policy in the Sejm, I said: "We took the world by surprise. First, with the scope of reforms, then with perseverance in their implementation and suffering their hardships, the dynamics of free enterprise, the stringency of fiscal policy, budgetary discipline, and now—with our economic growth. Experts who claimed Poland would be the red lantern of reform have fallen silent. Stereotypes such as "polnische Wirtschaft" came under question.

Today, when privatization has been abruptly halted and new centralized state structures are emerging, when politicians "wink" at heads of state enterprises who long for CEMA [Council for Mutual Economic Assistance] to return, when the threat of inflation reappears, when state officials warn against foreign capital, when taxes bizarre by EU standards are being introduced, could I repeat those words with equal certitude?

I also said: "The world has become accustomed to lively, loud, theatrical, and irresponsible talk on our political scene. Facts speak louder than words. They prove commitment, the maturity of democratic institutions, and our devotion to them. The calm, normal way in which power was handed over after the last elections was met with respect."

Today, when power centers responsible for observing the law take action on its verge, when power is openly used as an instrument for gaining and strengthening party or personal gain, when attempts are made to curb the freedom of the press just because it criticizes the authorities, when central state institutions refuse to succumb to the discipline of the democratic system, when the ruling principle is "whose Poland," not "what type of Poland," could I repeat those words with equal certitude?

Finally, I said: "Economic reform, readiness to make compromises, and responsibility are our greatest strengths." **Could I repeat these words as well?**

Coalition on 'Invariability' of Foreign Policy

LD1701125395 Warsaw PAP in Polish 1051 GMT 17 Jan 95

[FBIS Translated Text] Warsaw, 17 Jan—The SLD-PSL [Democratic Left Alliance-Polish Peasant Party] coalition met today and confirmed the invariability of Polish foreign policy, and thanked Minister Andrzej Olechowski "for implementing over a period of 15 months a foreign policy compatible with objectives included in the PSL-SLD coalition agreement," a press statement reads.

The coalition confirmed the will of Poland to join NATO and to expand cooperation within the Partnership for Peace Program. It also confirmed its interest in joining the WEU [Western European Union] and in activities aimed at creating an effective security system in Europe.

The ruling parties maintained their desire for Poland's integration in the EU, demanding at the same time a respect for Polish economic interests.

The coalition came out in favor of good-neighborly relations with all Poland's neighbors, of expanding cooperation within the Visegrad Group, with the Baltic states, and within CEFTA [Central European Free Trade Association].

"We attach great importance to cooperation with the United States. Attempts to join the OECD continue," the statement reads.

"While understanding the personal reasons for Olechowski's resignation, the coalition expresses its thanks for his implementing, over 15 months, a foreign policy compatible with objectives set in the PSL-SLD coalition agreement," representatives of the ruling parties stated.

Kolodko Offered Supervision of Foreign Ministry

LD1701230495 Warsaw Third Program Radio Network in Polish 2100 GMT 17 Jan 95

[FBIS Translated Text] If the coalition's offer of talks with the president on the subject of the filling of the posts of the ministers of foreign affairs and national defense is not accepted, the responsibility for the escalation of the conflict and misunderstandings will be with the president, Aleksander Kwasniewski, chairman of the Democratic Left Alliance [SLD] parliamentary floor group, has said. Prime Minister Waldemar Pawlak has given assurances that the coalition wishes to speak with the head of state without delay about the filling of the vacant posts in the Foreign Ministry and the Defense Ministry.

Deputy Prime Minister Grzegorz Kolodko has denied that the prime minister has proposed that he head the Foreign Ministry.

[Correspondent Przemyslaw Barblich] Nonetheless, as I have managed to establish unofficially, the coalition this morning tried to prepare an alternative scenario. There are three committees functioning at the Council of Ministers: For economic affairs, supervising the work of the economic ministries it is directed by Deputy Prime Minister Grzegorz Kolodko; for sociopolitical affairs, supervising the work of ministries such as those of justice, education, and social policy it is directed by Wlodzimierz Cimoszewicz; and also the Defense Affairs Committee, which is directed by the prime minister. The prime minister this morning proposed that a representative of the Foreign Affairs Ministry sit in the economic committee of the Council of Ministers. In this way, Deputy Prime Minister Grzegorz Kolodko could supervise the work of the ministry while simultaneously not being at the head of the ministry.

Over and above that, a meeting of the government has ended at the Council of Ministers. The ministers did not today, contrary to earlier announcements, discuss the report by Deputy Prime Minister Wlodzimierz Cimoszewicz on the conclusions ensuing from the Constitutional Tribunal ruling regarding the drawing of extra remuneration for work in commercial law companies by persons holding high-ranking state positions. At the request of Deputy Prime Minister Cimoszewicz, this subject will be discussed in a weeks time.

Oleksy: No Date Set for National Assembly Meeting

LD1801105395 Warsaw Radio Warszawa Network in Polish 0800 GMT 18 Jan 95

[FBIS Translated Text] Sejm Speaker Jozef Oleksy has confirmed the intention to summon the National Assembly, but stated that he has not made a final decision on this matter and has not set the date of the assembly meeting for 4 February. Speaking on Polish Radio, Oleksy said that decision on this matter will be made jointly by the speakers of the Sejm and Senate. Oleksy stated that the National Assembly must decide on two important matters. The first concerns regulations on the receiving of the oath of office from the president, and the second concerns regulations for indicting the president.

May Meet 4 Feb

LD1701183595 Warsaw PAP in Polish 1648 GMT 17 Jan 95

[FBIS Translated Text] Warsaw, 17 Jan—Krzysztof Kaminski, the deputy chairman of the Confederation for Independent Poland [KPN] parliamentary floor group, on Tuesday told a PAP reporter about the possibility of the summoning of the National Assembly [Sejm and Senate in joint session] for 4 February this year. "I feel that the threat of the unconstitutional dissolution of the Sejm by the president is a threat that the Sejm and Senate wish to counteract by calling the National Assembly," he said.

According to Kaminski, the Sejm Council of Elders had been informed by the Sejm speaker that he is seriously considering "calling the National Assembly for 4 February this year so as to adopt two draft resolutions relating to the National Assembly regulations—the first on the matter of the method of indicting the president, the second on the method of withdrawal of the presidential oath." "The third point on the National Assembly's agenda is, according to Speaker Oleksy, to resolve the case of ex-President Jaruzelski destroying documents," said Kaminski.

In Kaminski's view, this announcement is associated with the fact that the Sejm will be meeting from 1 to 3 February, and the Senate on 2 and 3 February. "February 4 is on a Saturday. The speaker had asked that deputies be told to stay on until Saturday by virtue of the possibility of the calling of the National Assembly. I think that the point is that the parliamentarians ought to be in the Sejm buildings and that it be technically possible to summon the National Assembly at very short notice, without having to leave the Sejm, without having to travel across the country and return. I do not know why the National Assembly is being summoned for three technical matters, since a month earlier there was to have been a National Assembly meeting devoted to the Constitution," said Kaminski.

The president has 30 days to sign the budget law adopted by the Sejm on 30 December last year and not amended by the Senate at its meeting on 3 January. Recently, views have been expressed that the president might not sign the budget and may dissolve parliament.

SDRP Secretary on Defense Minister Candidate

LD1701152795 Warsaw PAP in Polish 1430 GMT 17 Jan 95

[FBIS Translated Text] Warsaw, 17 Jan—Jerzy Szmajdzinski, secretary general of the Social Democracy of the Polish Republic [SDRP], told journalists today that the coalition is ready to hold talks with the president on the appointment of a minister of national defense.

When asked what the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD] would do if Lech Walesa did not agree to any coalition candidate, Szmajdzinski said: "The public will know that there have been six, seven, 10, or even 12 candidates, and nobody will be in any doubt who is destabilizing the situation in this area."

"We will manage another 253 days" [until Walesa's term in office expires], Szmajdzinski said when asked what the coalition will do in order to have its candidate appointed.

Walesa, Solidarity Chairman Discuss Elections

LD1401224895 Warsaw Third Program Radio Network in Polish 2200 GMT 14 Jan 95

[FBIS Translated Text] Today in Gdansk President Lech Walesa met with Solidarity chairman Marian Krzaklewski.

[Unidentified reporter] We discussed the country's situation and how to put a stop to the return of centralization in Poland, Marian Krzaklewski told me after the meeting. According to the Solidarity leader, the parliamentary elections could still take place before the presidential elections. We agreed with the president that at most two electoral blocs should run against the Democratic Left Alliance and the Polish Peasant Party, Krzaklewski said. He added that the possibility of Solidarity's support for Lech Walesa's candidacy in the presidential elections was not raised. Under the current circumstances, personal issues should be pushed into the background; the most important issue is the consolidation of our camp, Krzaklewski stressed.

During the meeting Lech Walesa assured that he would exercise his right for a legislative initiative and would put forward the bills prepared by Solidarity. Among others, the bills concern general privatization and health insurance. The only condition would be to define the details of those drafts by presidential and Solidarity experts.

Belgian Minister Cited on Poland Joining EU

BR1701163395 Antwerp GAZET VAN ANTWERPEN in Dutch 14-15 Jan 95 p 6

[Report by Paul Verbraecken: "Prime Minister Dehaene's Message to Poland: 'Reorganization, Tough Reorganization'"]

[FBIS Translated Excerpt] The Belgian federation's problems continue to follow Prime Minister Dehaene even in Poland. At the beginning of his official visit, Dehaene urged Poland to do something about the Treaty it concluded with Flanders. The Poles, on their part, mainly wanted to know from Dehaene how they could join the European Union [EU]. His answer sounded familiar: "Not hastily, pragmatically, and through tough reorganization." [passage omitted]

European High School

Far from downtown Warsaw, the prestigious Europe High School from Bruges opened a branch in Napolin some two years ago. Dehaene intentionally opted for this school, which is also cherished by the Poles, as a forum to discuss Europe's future. Dehaene said that Poland is more than welcome in the European House.

"I want Poland to join the Union by the year 2000, but that should not be an excuse to cease your efforts and to think that the matter is settled." Many other statements soon made it clear that it wash merely a wish. For instance, he reminded that the accession talks with Spain took seven years, whereas some transition periods took another 10 years.

Dehaene added that the East European applicants have a long way to go before they can catch up with the EU, while the EU's policy itself must also be changed. In this respect, the prime minister expressed his preference for the tested community consultations rather than for the intergovernment model as advocated by Ms. Thatcher for instance. At the same time Europe should pay attention to East Europe's insecurity, a problem the Poles had already raised on several occasions. Dehaene is in favor of extending the WEU [Western European Union] and NATO to East Europe. "This enlargement is no threat to anybody."

Dehaene also warned the Poles in bold terms that being part of a larger union also requires making options. "One should be aware that this unification is not compatible with any nationalist ideology."

OBOP Polls on Pawlak, Dissolution of Sejm

WS1701142595 Warsaw GAZETA WYBORCZA in Polish 17 Jan 95 p 3

[Report by "knysz": "OBOP: Should Pawlak Take Holiday Leave?"]

[FBIS Translated Text] *How many Poles agree with Walesa that Pawlak needs a political holiday? According to a poll carried out by the Center for Research on Public Opinion [OBOP]—35 percent.*

Those who claim this live primarily in large cities, are well educated, and support the opposition.

More Poles—45 percent—believe that the prime minister should not be changed under the current circumstances. This is an opinion advocated primarily by supporters of the coalition parties, with secondary education, from rural communities.

Even less popular is the idea of changing the entire government—31 percent advocate such a notion, 50 percent are against.

Those who oppose the dissolution of the Sejm and earlier parliamentary elections outnumber supporters (55:26 percent). As OBOP notes, one year ago the number of people who were for dissolving the Sejm was much higher (66 percent).

The poll was carried out on 6-8 January on a group of 1,226 Poles above the age of 16.

Polls Indicates Support for Increased Taxes

WS1301143895 Warsaw NOWA EUROPA in Polish 13 Jan 95 p 2

[Report by "P.P.": "CBOS on Taxes—The Majority Support the Government: Public Verdict"]

[FBIS Translated Text] As a poll carried out in January by the Public Opinion Research Center [CBOS] shows, 43 percent of Poles believe the president was not correct in questioning the government's decision on this year's income taxes, as compared with 33 percent who support Lech Walesa's action. Nearly 90 percent of those polled had heard about the tax conflict. The president's most ardent supporters are private entrepreneurs and rightists. His opponents are mainly representatives of the public sector, management cadres, and leftists.

The majority of those polled (55 percent) claim that the cause of the conflict between the government and the president is Lech Walesa's disregard for the law, whereas 37 percent see its source in a liberal attitude towards the law displayed by the executive authorities. In all, more people (48 percent) believe it was the president who violated the law when establishing taxes for 1995, with 22 percent disagreeing; 29 percent claim the government violated the law; 23 percent say the parliamentary opposition was at fault.

Among those polled, 63 percent declared their readiness to pay taxes at the level the government set, while 13 percent do not intend to observe the tax thresholds declared by the government. Nearly one-fourth have no opinion. Respondents suppose that the president's appeal not to pay higher taxes would be supported by 29 percent of Polish citizens.

Authors of the poll presume the rift between the government and the president on taxes may develop into a conflict of interest between the huge public sector the government supports and the private sector. The division into leftists supporting the government which introduced higher taxes and the rightists backing the president who postulated lower taxation indicates this conflict may have an ideological aspect.

Deputy Criticizes Interior Ministry Activities

AU1801124095 Bucharest AZI in Romanian 13 Jan 95 p 3

[Report by Mihai Diac: "PD Deputy Adrian Severin Requests the Demotion of Minister Taracila"]

[FBIS Translated Text] "We do not rule out the possibility that there might have been a series of debatable decisions in the operations of the Credit Bank [private bank the head of which was arrested recently on charges of corruption]. However, regardless of the irregularities that might have existed, this is in no way a criminal case, and especially not one that justifies the arrest and continued detention of the culprit while the police make their investigations. What they are doing is trying to deal a blow to the banking system which has been under systematic attacks ever since 1992, when the Vacaroiu government took office—stated Adrian Severin, deputy chairman of the Democratic Party [PD], yesterday.

The arrest of the chairman of the Credit Bank's board of directors "is an extremely dangerous attempt to make the Interior Ministry pursue domestic political objectives" and "a brutal meddling on the part of the Interior Ministry into the self-regulating political and economic power equilibrium in the country and the involvement of Interior Ministry employees in actions that do not pertain to that ministry's profile," "to turn the ministry again into an instrument of political repression, into an instrument of political manipulation."

"Unfortunately, the Credit Bank case is not a singular one. The strength of the banking chain is measured by the strength of the weakest link. By destroying a single loop one can weaken the entire banking system. After the ousting of Dan Pascariu from the leadership of the BRCE [Romanian Foreign Trade Bank]—also due to the fact that he had not agreed to cooperate politically, a fact which unfortunately was easily overlooked by the mass media—now they have come up with the case of Ivan and the Credit Bank. If we do not manage to halt this, the process will doubtlessly conclude with the Mugur Isarescu [Romanian National Bank governor] case. All this comes to demonstrate the hatred the current leadership feels against the financial-banking system, because the latter does not accept the game the current rulers expect it to play, nor is it prepared to fulfill the wish of the political rulers to make use of administrative instruments to promote their own political-economic interests. This is why we request the demotion of the interior minister."

According to Severin, the interior minister is also personally motivated to discredit the head of the Credit Bank and thus his bank as well, because "the Credit Bank has managed to win a tender in the town of Calarasi, besting another group in which the interior minister has his share of interest."

Another hot issue discussed during yesterday's news conference was the "formalizing of the so-called red quadrilateral," consisting of the PDSR [Social Democracy Party of Romania], PUNR [National Romanian Unity Party], PRM [Greater Romania Party], and PSM [Socialist Party of Labor], an older alliance that is, however, about to be consecrated for the first time by the conclusion of a written protocol. This would "turn Romania into the first Central and East European country led by a government under the banner of the extreme right, of fascism, of extremism. We are the first country in Central and East Europe about to turn fascist." "[PDSR executive chairman] Nastase will put his signature on a document that legalizes anti-Semitism, xenophobia, and intolerance in Romania. It legalizes all this from the doctrinary point of view, and, practically speaking, it offers them access to the levers of power." "What they want is to steer the PDSR not toward the values of social democracy, which they so greatly acclaim, but rather toward extremism, intolerance, racism, national-communism, and fascism." "We call on the PDSR leadership to not sign this document, which risks turning the country into a fascist country and tearing it away from its natural allies—that is, the Western democracies—and we reassert our readiness to continue doing what we have been doing so far: to negotiate, together with the other opposition political parties, a political formula that also allows for the rule of the PDSR without any need for the latter to subject itself to the blackmail of the extremists."

Parties Disagree on Electoral Candidate Ratio

AU1701134895 Bucharest CURIERUL NATIONAL in Romanian 11 Jan 95 p 3

[Article by Adrian Dumitrascu: "PL '93 Disagrees With PNTCD's Claims"]

[FBIS Translated Text] During a 10 January news conference, the PL '93 [Liberal Party '93] objected to the claim of the PNTCD [National Peasant Christian-Democratic Party] to have 50 percent of the number of candidates for the next elections. It was mentioned during the news conference that the Democratic Convention has been working for some time on a draft protocol containing the criteria for the proportion of representation. It was stressed that it is not normal to act differently: namely, to establish the proportion first, and then the criteria.

Expressing the hope that he was not being indiscreet, [PL '93 leader] Dinu Patriciu said that in an earlier proposal, the PNTCD had asked that the places on the lists should be divided between PNTCD and Liberals in a "brotherly" manner: that is, 50 percent for each side, and then the other parties included in the CDR would be accepted on these "half lists" according to doctrinal criteria. Patriciu expressed his belief that it is much better to proceed according to the strategy of running on separate lists that are "coagulated from a doctrinal viewpoint." As far as the "proportion" is concerned, this will be established by the electorate, Patriciu said.

Constantinescu Seeks End to 'Sterile Disputes'

AU1701134995 Bucharest EVENIMENTUL ZILEI in Romanian 14 Jan 95 p 3

["Exclusive" Statement by Emil Constantinescu, president of the Democratic Convention of Romania, to EVENIMENTUL ZILEI in Bucharest on 13 January: "We Cannot Afford To Waste Time With Sterile Disputes"]

[FBIS Translated Text] *A few hours before leaving on a three-day visit to Geneva, where he will participate in the meeting of the Steering Committee of the Conference of European Rectors, Professor Emil Constantinescu gave several exclusive answers to questions put to him by our newspaper about his decision to run for reelection [to president of the Democratic Convention of Romania, CDR, and sole CDR candidate in the next presidential elections]:*

Emil Constantinescu: The current situation within the CDR and the preoccupation of certain people with the position of CDR president distracts us from the serious problems facing the country. That is why I made that statement in which I asked for resolving all artificially created problems speedily, so as to be able to focus all efforts on finding viable and lasting solutions to Romania's problems. I am not only referring to the realities of the moment—such as inflation, economic inefficiency, the growth of unmarketable production, the blocking of the privatization process, and the administrative abuse—which are perceived clearly perceived by everybody. There are also much more serious problems pertaining to Romania's future. There is no strategy for the country's economic and social development. Two years have passed since the Vacaroiu team took over, and all it did was present a draft strategy, which it also ignored anyway. No answers were given to the basic problems. How will Romania's economy evolve? How will the laws of the market economy, the only viable ones for achieving profits for both the national budget and the people working in the enterprises, operate in the future? In the two years that have elapsed since the last elections, Romania has covered an important phase of European integration and joined the Western structures. Everybody agrees that the opposition has played a particular role in this integration. Now, when the institutional phase is practically finished, there comes the phase of effective integration into the economic and financial structures. If this effective and concrete integration is not achieved in the next two years, everything that we gained could be lost. Therefore, even if the opposition is not in power, it has the duty to present to the citizens a strategy for the future based on concrete solutions. At the same time, the opposition must convince the people that it has the personalities capable of implementing this program. We cannot afford to waste time with sterile disputes and discussions linked to temporary conceits and interests. That is why I made the announcement of my candidacy, in order to put an end to such disputes and focus our attention on Romania's realities and on the serious situation of the country.

Airport Antiterrorist Unit Gets New Commander

AU1701161695 Bucharest EVENIMENTUL ZILEI in Romanian 13 Jan 95 p 4

[Report by Radu Tudor: "The Antiterrorist Unit at Otopeni Airport Has New Commander"]

[FBIS Translated Text] Since 1 January 1995, the antiterrorist unit of the SRI [Romanian Intelligence Service] at Otopeni International Airport has had a new commander in the person of Major G. Ilie.

The former commander, Colonel Gheorghe Lambru, was promoted to a new office within the Antiterrorist Brigade [BA].

The principal work of the BA unit at Otopeni Airport is to carry out antiterrorist and antihijacking checks on passengers leaving Romania.

Federation Presidency Dispute Postpones Session

LD1801102895 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 18 Jan 95

[Report by HINA correspondent Pejo Gasparevic from Sarajevo]

[FBIS Translated Excerpt] Last night's four-hour talks between [Bosnian] Croat and Bosniak delegations—headed by Kresimir Zubak and Dario Kordic on the Croat side and Haris Silajdzic and Ejup Ganic on the Bosniak side—ended in failure, so the session of the Bosnia-Herzegovina Federation's Constituent Assembly scheduled for today had to be postponed.

The Bosniaks had again demanded a rotation at the helm of the Federation; that is, that Kresimir Zubak's presidential post be taken over by Ejup Ganic.

As your reporter was told by Kresimir Zubak, the Croat side proposed that the rotation issue should not influence the holding of today's Federal Assembly session. The Croat side suggested that the Constituent Assembly session be devoted to those points on the agenda on which both Croats and Bosniaks have reached unanimity. However, the Muslim side refused this and suggested to the Croats that an alteration of the Vienna agreement be initiated with relation to the part of the agreement defining the rotation at the top of the Federation every six months. The Croat side could not agree to this because, as Zubak put it, rotation at the top of the Federation can be carried out only in the way the Federation's president was initially elected—through a two-thirds majority of the deputies in the Constituent Assembly of the Bosnia-Herzegovina Federation. [passage omitted]

Opposition Urges Implementation of Federation

LD1401195995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 14 Jan 95

[FBIS Translated Text] The Liberal Bosniak Organization, Social-Democratic Party, Union of Bosnia-Herzegovina Democrats, Civic Democratic Party, Croatian Peasant Party, and Republican Party have sent an appeal to deputies to the constituent Assembly of the Bosnia-Herzegovina Federation and deputies to the Assembly of the Republic of Bosnia-Herzegovina. The appeal says among other things:

It is clear that the constituent Assembly of Bosnia-Herzegovina is in crisis. The process of constituting the Federation of Bosnia-Herzegovina and its institutions has been halted at all levels. Thousands of refugees are awaiting a safe return to their war-ravaged homes. There has been no headway in the reconstruction of industry, traffic, energy, and other infrastructure in the country, while the international standing of the country has been waning.

The Federation is the primary interest of the Croat and Bosniak nations and all other nations living in Bosnia-Herzegovina. No one and no political party has a right to destroy it, even less so some individuals in party leaderships. The citizens of Bosnia-Herzegovina elected the government to represent their interests, and no party directives can be treated as being above these interests.

Individuals bear responsibility before the history, while the collective party responsibility is only of political nature. At this historical moment it is impermissible for any party to start with political hairsplitting, the appeal by opposition parties of Bosnia-Herzegovina says.

Kordic Seeks Changes in Muslim-Croat Accord

LD1301161995 Belgrade TANJUG in English 1350 GMT 13 Jan 95

[FBIS Transcribed Text] Belgrade, Jan. 13 (TANJUG)—Bosnian Croat political leader Dario Kordic on Thursday called for changes in some provisions of the Vienna accord in which details of the agreement on the Muslim-Croat Federation were worked out.

The state-run radio of the Bosnian Croat state of Herceg-Bosna late Thursday quoted Kordic as calling for certain changes in the Vienna accord, signed early in the spring of 1994, but gave no further details.

Radio Herzeg-Bosna also reported that representatives of the national Bosnian Croat and Muslim parties had failed to reach agreement on the main issues to be on the agenda of the Constituent Assembly session scheduled for Jan. 16.

The Constituent Assembly met for the first session in the Muslim-held town of Zenica in mid-December 1994, after several postponements. The session was, however, adjourned shortly after it had started because of serious Muslim-Croat differences.

The Muslim Party of Democratic Action demands that current federation President Kresimir Zubak, a Croat, hand over office to Vice President Ejup Ganic, a Muslim, in line with Vienna accord provisions. The Bosnian Muslim political leaders say that zubak's six-month term of office had expired on Dec. 1, 1994. The Muslim demand is categorically opposed by the Bosnian Croat national party, the Croatian Democratic Union, whose officials say that the change woul mean that all key posts in the federation would be held by Muslims. The agreement on the Muslim-Croat federation in Bosnia-Herzegovina was signed in Washington nine months ago under pressure from the United States. The Federation, however, still has only a president and vice president and a government, headed by Haris Silajdzic, a Muslim. Two-thirds of the cabinet ministers are Muslims.

The Federation partners have increasingly been exchanging accusations of violations of the Washington Agreement, especially regarding power sharing, the canton boundaries and the return of refugees, whom there are about 230,000, according to figures published by the two sides.

The Washington Agreement and Vienna Accord put an end to year-long fierce Croat-Muslim fighting for territories in central and southern Bosnia-Herzegovina, in which scores of settlements were destroyed.

UN Has Till 1 Feb To Open Tuzla Airport

AU1701153195 Paris AFP in English 1519 GMT 17 Jan 95

[FBIS Transcribed Text] Sarajevo, Jan 17 (AFP)—The Bosnian Government has given the United Nations until February 1 to open the Tuzla Airbase in northeast Bosnia for humanitarian use, warning that UN personnel will have to leave the facility by March 1 if the order is not carried out.

The ultimatum was contained in a letter sent to special UN representative to former Yugoslavia Yasushi Akashi and UN Bosnia commander General Michael Rose, according to the office of Bosnian minister for UN relations Hasan Muratovic.

"We are prepared to await the opening of the airport, at the latest, until the first of February," the letter said. "If you are prepared and intend to open the airport, we seek to sign an agreement on the conditions of usage until the 10th of February at the latest.

"If for any reason the airport is not open (by) the first of February we demand that the United Nations begin to leave the premises of the airport by the first of February, and this is to be unconditionally completed by the first of March," the letter said.

UN spokesman Paul Risley said UNPROFOR, the UN Protection Force, wanted to reopen the Tuzla base—which it currently controls—for UN and humanitarian flights. But he said Bosnian Serb authorities—whose forces are stationed on a nearby hill—had opposed the move.

The base is currently the focus of a standoff between the Bosnian Government and the United Nations over the presence at the facility of a Serb army liaison officer, assigned in compliance with a cessation of hostilities accord that took effect January 1.

Bosnian troops are blockading the base, according to UN sources, to protest the presence of the officer. The government maintains the man in question is the former head of an artillery unit that had shelled Tuzla and and says he should be assigned closer to the front lines.

UN Spokesmen: Difficulties Maintaining Cease-Fire

AU1701133695 Paris AFP in English 1301 GMT 17 Jan 95

[by Nathaniel Harrison]

[FBIS Transcribed Text] Sarajevo, Jan 17 (AFP)—Serb forces drove tanks into a Moslem enclave in eastern Bosnia and government troops maintained a grip on two northwestern villages, triggering fears of Serb counterattack, UN spokesmen disclosed Tuesday, revealing further threats to a tottering truce.

Here in Sarajevo meanwhile UN authorities sought to settle disputes between Serb and government officials that are blocking humanitarian gains from the New Year cessation of hostilities. After moving 1,500 meters (yards) into the eastern Moslem enclave of Srebrenica, rebel Serb forces overnight positioned several tanks and armoured personnel carriers in the sector, UN spokesman Paul Risley said.

"The presence of heavy weapons can be considered a threat to the (UN-designated) safe area of Srebrenica and to the civilians of that safe area," he added.

At the same time mainly Moslem Bosnian Army units continued to occupy the towns of Vedro Polje and Klokot in northwestern Bosnia, which they seized in an offensive on Saturday.

"We are concerned that the Bosnian Serb Army may attempt a counter-offensive, as they have threatened to do," Risley added.

Serb retaliatory shelling into Bihac town, from where the Moslem offensive was launched, killed seven people over the week end and prompted strong protest letters to both sides from UN Bosnia commander General Michael Rose. The Serb and Bosnian Army territorial advances are seen by the United Nations as clear and worrisome breaches of the truce, which called notably for a separation of forces on the ground.

The agreement also called for a withdrawal of foreign forces from Bosnia. But that stipulation has likewise remained a dead letter as Serb units around Bihac are being supported by heavy weapons and artillery pieces manned by Serbs from neighboring Croatia, according to UN military sources.

In addition to the increasingly volatile situation outside Sarajevo, the United Nations here has been dogged by both armys' failure to evacuate a contested demilitarized zone and a dispute blocking the reopening of a key supply route.

"We're not satisfied with the pace at which the proposed issues in the cessation of hostiltiies agreement are being resolved," Risley acknowledged. "We'd like to see a quicker pace."

UN officers planned Tuesday to mount yet another helicopter reconnaissance of the DMZ on Mt. Igman south of here, where they hope to confirm the departure of all Bosnian Army troops.

UN officials were irked to discover on Sunday and Monday that government soldiers were still occupying parts of the DMZ in defiance of the ceasefire.

The army had initially pledged to quit the area by January 4 but has continued to maintain units in the sector past the deadline, damaging relations with the Serb military and blocking implementation of other truce provisions—notably the reopening of critical airport crossings.

Also Tuesday, according to spokesman Major Koos Sol, UN civil affairs chief Viktor Andreev will try to bring Serb and government delegates together in a face-to-face encounter to resolve another dispute preventing the restoration of free passage out of this besieged capital.

Separate UN contacts with the parties on Monday produced no accord. At issue is the nature of the humanitarian goods that are to be transported across the airport, with the Serbs seeking to limit passage to material carried by eight UN-related organizations.

The government points to the plight of a population trapped by the 33 months of war and insists that all humanitarian goods transported by whatever means—including commercial vehicles—should be authorized. The roads, one for use by Serbs and another for the residents of Sarajevo, had been open to a wide range of traffic until July, when Serb authorities cancelled an existing agreement on the grounds that the government had used its route to smuggle arms.

Serb Military Report Cease-Fire Violations

LD1601224895 Belgrade TANJUG in English 2212 GMT 16 Jan 95

[FBIS Transcribed Text] Belgrade, Jan. 16 (TANJUG)—Muslims continued Monday to violate the agreement on cessation of hostilities in Bosnia and also fired on a UN plane during landing at Sarajevo Airport.

Bosnian Serb News Agency SRNA cited Serb military sources as saying the Muslims fired seven shots at the UN plane.

The Serb military sources said Muslim forces opened small arms fire on the Serb positions on the Ilijas front, northwest of Sarajevo.

Forces loyal to the Sarajevo Muslim Government made a breakthrough on Saturday from the UN-designated area of Bihac in northwestern Bosnia. This was confirmed to TANJUG Monday by the Bosnian Serb military sources in the town of Zvornik, eastern Bosnia. These sources said the Muslim forces reached in an all-out attack to the region of Klokot, four km west of Bihac.

The sources said the Muslim side in this way again abused Bihac's UN-designated safe area status and in a most brutal way trampled on their own signature on the four-month agreement on cessation hostilities in force since Jan. 1.

The Serb side asked Sunday UN representatives to define the confrontation lines between Bosnian Serbs and the Muslims in this area and for the Muslim forces to withdraw to the Jan. 13 positions.

The local Muslim commander discontinued his activities, but said he had no orders from the Sarajevo Muslim authorities to withdraw to in this way the previous positions. He inadvertently explained that in fact he had done nothing on his own but that he had acted on orders, said the Serb military sources.

The Republic of Croatia regular army, joined by the Bosnian Croat forces, continued in the past 24 hours to open fire from artillery, multiple-rocket launchers and tanks on the Serb positions in the region between the towns of Grahovo and Livno, western Bosnia-Herzegovina.

UN Finds No Bosnian Troops in Sarajevo DMZ

AU1701145495 Paris AFP in English 1437 GMT 17 Jan 95

[FBIS Transcribed Text] Sarajevo, Jan 17 (AFP)—A UN helicopter reconnaissance mission on Tuesday found no evidence of Bosnian Army troops in a disputed demilitarized zone [DMZ] above Sarajevo, UN military spokesman Colonel Patrick Declety reported here.

He said "no military presence was observed" in the sector, which Bosnian forces had pledged to evacuate by January 4 in compliance with a cessation of hostilities accord signed by government and Serb authorities December 31.

UN inspection flights on Sunday and Monday, however, revealed that the army was continuing to maintain several positions in the 100-square-kilometer (40-square-mile) DMZ.

Declety said another flight was planned for Wednesday carrying both Serb and government officers for a final confirmation that the sector has been cleared.

The continued presence in the zone of the Bosnian Army, which seized the DMZ in October in violation of an August agreement, has soured post-ceasefire relations with the Serb military and dampened peace momentum here.

Officers from the Army's 1st Corps on Tuesday also gave verbal assurances to the United Nations that all its units had left the sector.

Ganic Cites Reasons for Signing Cease-Fire

AU1701182295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1035 GMT 17 Jan 95

[Speech by Ejup Ganic, member of the B-H Presidency and vice president of the B-H Federation, at the B-H Republican Assembly session in Sarajevo—live]

[FBIS Translated Text] Mr. President, your excellency, and dear guests: I do not believe there is any need to go into great detail about the peace agreement on the cessation of hostilities reached by the aggressor's side and the Republic of Bosnia-Herzegovina on 31 December 1994. Our republic's citizens followed attentively everything that happened during the marathon negotiations and they, as well as the people's deputies, followed the talks through the media. People received the new year signing of this agreement with relief, but also with the fear that the aggressor's side, just like numerous times before, will betray or misuse it. Our side will not violate the peace agreement in the next four months. We understand that it is a precondition for the commencement of the peace process once the aggressor's side has accepted the Contact Group peace plan. Let us take a brief look at some of the agreement's details, even though the full text has already been published in [word indistinct].

The agreement envisions the cessation of military activities throughout Bosnia-Herzegovina and, among other things, also envisages [word indistinct]. The agreement envisions the unconditional and complete freedom of movement of the UN Protection Force [UNPROFOR] and humanitarian organizations, as well as unhindered medical evacuations and the distribution of humanitarian aid throughout Bosnia-Herzegovina. The agreement envisions the unconditional opening of blue routes, the opening of the road via Sarajevo Airport, and the strict observation of all previous agreements. The agreement also envisions dynamic activity in rebuilding and the use of public utilities, such as electricity, water, gas, and the normalization of this situation, especially in and around the safe havens. The agreement demands the withdrawal of foreign troops from the Republic of Bosnia-Herzegovina and has tasked UNPROFOR with this responsibility. The agreement also envisions the parallel exchange of prisoners, as well as information on missing persons.

Our negotiating team devoted special attention to missing persons. Let me explain. [Word indistinct] of the agreement on the cessation of hostilities [word indistinct] and with it a new, in our opinion, extremely important step has been made that should contribute to a faster and more qualitative resolution of the question of numerous Bosnia-Herzegovina citizens, chiefly Bosniaks and Muslims, whose whereabouts and fate have been known for over two years. To recap, we are talking about more than 18,000 people who were taken prisoner in their homes, work places, and on the streets of their towns and villages by the former Yugoslav People's Army, other illegal and paramilitary formations from Serbia and Montenegro and by Karadzic's men. For this reason, I say [words indistinct].

Not one of the earlier agreements, with the exception of the 8 June Geneva agreement, envisaged the mutual linking and dependency of freeing prisoners with the process of searching for missing persons. Today, when the number of detained Karadzic's [word indistinct]—that is, those who surrendered arms on fronts all over Bosnia-Herzegovina several times exceeds the number of detained members of the armed forces of our state—our interest is not merely to exchange detained chetniks for innocent civilians of non-Serbian origin. Our interest is to learn about the fate of our soldiers and civilians, of whom any trace was lost after their arrest and detention. Their families—and there are definitely more than 70,000 of close relatives—have the right to know what happened to their loved ones. We must (?and want to help them) in this. Therefore, point 8 of this agreement, which the aggressor and the international community accepted, finally links these two processes—that is, the exchange of prisoners and the exchange of information on missing persons—and makes their implementation mutually dependent on each other.

By signing the agreement, the aggressor has set himself five tasks. If he intends to realize this point, which he will have to, he will in many cases be obliged to forward us and the international community information on crimes that his armed formations committed, including war crimes against civilians, prisoners of war, and injured, as well as many other acts and gross violations of international humanitarian law. Unfortunately, after the signing of the cease-fire, the aggressor obstructed its implementation and has aspired to implement the agreement selectively. He has not opened the blue routes yet, he has not withdrawn from the vicinity of Bihac, he is halting the passage of humanitarian convoys, he did not allow medical evacuations, and he is denying access to the enclaves. If there is no progress on these issues soon, the international community will have to react.

We have proven to the international community once again that we are a cooperative country and that we care about just peace, which would acknowledge everything that the international community granted to us—that is, sovereignty, the inviolability of borders, and a right to democratic development; therefore, [words indistinct] an equal membership in the United Nations.

Therefore, we need a just peace. Peace is also needed by the enslaved people (?on the aggressor's side). Peace is needed by (?their quislings) as well. However, I am also expressing my anxiety, which is the result of the (?three-year) experience and previously signed agreements, that the top political leadership in Pale does not want peace. It does not want it simply because peace would ruin all the so-called national (?grandeur) of theirs and their horrible inhuman political and military [word indistinct]. Peace would put them in the dock before the war crimes tribunal in The Hague and [word indistinct].

Unfortunately, multiethnic life has been dealt a serious blow in this war, but, as far as I know, it has survived wherever where the territory is controlled by the Bosnia-Herzegovina Army. The world and part of the democratic public has realized that if this agreement is not respected, the only thing left to the Republic of Bosnia-Herzegovina is its legitimate right to self-defense, which means lifting the embargo on arms deliveries. There is a realistic danger and the intention on the part of the aggressor, as well as some forces abroad, to create an atmosphere of (?war) [world indistinct], albeit without giving back the occupied territories. By using very perfidious methods, one thereby wishes to reduce combat readiness, motivation, combat spirit, and the desire for further resistance by the Army and the people. Measures have been taken on time, the preventive measures with a view to (?explaining) this and [word indistinct]. The attempt to take advantage of peace agreement as an argument in favor of lifting the sanctions on Serbia has failed. (?They asked me) what Bosnia has gained militarily with this agreement. We shall leave that for another occasion. I will just say that time is on the side of Bosnia-Herzegovina and the armed people who have realized that it is one's own gun that will ensure one's own freedom.

What Pale—that is, the Pale regime—can do, and seems to be doing already, is make use of this period of relative peace for aggravating relations between the Bosniaks and Croats in the Republic of Bosnia-Herzegovina—that is, to create issues, provocations, and affairs, to spread rumors and lies with a view to destabilizing relations in the federation. We carried out these negotiations as a unified political organization. Mr. Zubak was (?involved) in these negotiations and he finally signed the military part of the agreement (?on behalf of) the Croatian Defense Council.

Gentlemen, I will present only two examples. The first example is as follows: It is clear to the world and the political factors that the Pale Serbs are sabotaging the opening of the blue routes via Sarajevo Airport. This does not suit UNPROFOR's doctrine about the two sides always having equal responsibility. It does not suit them to have only the Pale regime guilty. Therefore, as in a novel by Agatha Christie, General Rose used a crafty trick to transfer the attention of the world public from Sarajevo airport to Tuzla airport. He brought a liaison officer there—none other than a famous war criminal, a chetnik colonel, who during the two and a half years of war, commanded the artillery that pounded the town of Tuzla from Majevica and massacred civilians. It was to be expected that Tuzla citizens would react to that. Of course, that suits Gen. Rose and those people who sent him, because a sin has been found on the Bosnian side as well. At a well-organized news conference with cameras and foreign correspondents, they said that the Bosnian Army had blocked Blue Helmets at the Tuzla airport. [Words indistinct] of the always (?shared) responsibility is working: The Bosnians are blocking the Tuzla Airport and the Pale Serbs are not allowing the use of a blue route to the Sarajevo airport. According to Gen. Rose, the conclusion is that both, always both, sides are (?to blame) [words indistinct].

Of course, the arrival of Karadzic's Army at Tuzla airport has never been agreed upon nor was it approved by us, and Gen. Rose hopes that this detail [words indistinct].

The second example also involves Gen. Rose. Yesterday, he wrote a letter to Gen. Delic, a protest letter in which he complained that the (5th Corps) forces are resisting the attack by Knin chetniks to the west of Bihac, in the region where the town waterworks are situated. On the same day, Mr. Akashi claimed that, according to UNPROFOR data, there are no Knin chetniks in the Bihac region. There is no need for any comment.

These two events are only a small part of the atmosphere in which negotiations with UNPROFOR are held.

Now, let us say something about humanitarian organizations: The majority of them are doing their jobs and we are sincerely grateful to them. However, humanitarian organizations under UN patronage are attempting blackmail and are making their activity contingent on concessions that are very often of a political nature or have political connotations in line with the political position of certain centers of world power. Many international humanitarian organizations are doing their jobs in a routine and bureaucratic manner, without any desire or will to cut to the essence of the problem. For example, the International Red Cross still has not raised its voice—to a satisfactory degree—against the genocide of Bosniaks and Croats in Bosnia. It deals in statistics. Karadzic's lot is killing prisoners of war on a grand scale, and yet the Red Cross, in the name of some higher neutrality, is pretending not to see what is going on. In this way, there are attempts to bureaucratically place some 17,000 of our citizens into the "missing" rubric. We have accurate information as to where each individual disappeared, was captured, and the place where he was last seen or arrested. On the other hand, the Red Cross is demanding that our Army exchange all of Karadzic's troops that it captured—who all have prisoner-of-war status in accordance with international conventions—for civilians that Karadzic's lot are intentionally arresting in order to free their captured troops. This sounds like a grave allegation, but in this way the Red Cross is helping the expulsion of the non-Serbian population from their homes.

Finally, we have, among other things, signed this peace agreement in order to enable UNPROFOR to move freely throughout Bosnia-Herzegovina. In this way, the Blue Berets should be able to monitor the state of human rights and liberties in the occupied territories. We want UNPROFOR to finally go to Banja Luka, Bijeljina, Foca, Prijedor, and so forth. However, so far we have not received from UNPROFOR a single report on the state of human rights in these areas. Neither has Mazowiecki, most likely. We carry on with negotiations with Mr. Akashi and his political and civilian associates. Talks and negotiations are essential. These negotiations regulate military, humanitarian, and political issues between us and the international community as represented by UNPROFOR such as it is. Minister Muratovic, president of the State Commission for Relations With the United Nations, Mr. Matovic, president of the Commission for the Exchange of Missing and Captured Persons, and several of our generals are well aware just how exhausting and draining this can be on occasion and what we have to deal with. The other members of the Presidency and the government, as well as Mr. Zubak, also contribute from time to time to the negotiations. The negotiating team is open to all suggestions—made by deputies of this assembly—that pertain to future negotiations. Thank you.

Ganic, Rose, Delic Discuss Bihac Region

AU1701195095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 17 Jan 94

[FBIS Translated Text] Ejup Ganic, member of the Presidency of the Republic of Bosnia-Herzegovina and vice president of the Federation, this afternoon received General Michael Rose, commander of UNPROFOR [UN Protection Force] for Bosnia-Herzegovina. The talks were also attended by Army Gen. Rasim Delic.

They discussed the situation in the Bihac region and the withdrawal of Martic's forces from that region. Our side energetically demanded that Martic's men withdraw from that part of Bosnia-Herzegovina and that UNPROFOR strictly respect the letter of the peace agreement that envisages the withdrawal of the Knin Krajina chetniks.

Ganic repeated our insistence on the opening of the blue roads, which the chetnik side is still keeping closed. Gen. Rose stressed that the Army of the Republic of Bosnia-Herzegovina is respecting the letter of the peace agreement on cessation of hostilities throughout our country, including the Bihac region.

Commenting on aggressor's propaganda leaflets being distributed by UNPROFOR soldiers, Gen. Rose said that this was done without his knowledge, and that he will forbid such and similar actions.

Ganic and Gen. Delic told Gen. Rose that the obstruction of the blue roads by the chetniks can cause serious problems and lead to the collapse of the peace agreement on cessation of hostilities for four months.

Muslims Breach Truce in Mt. Ozren, Sarajevo

LD1801011795 Belgrade TANJUG in English 2330 GMT 17 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 17 (TANJUG)—Muslim formations violated the four-month truce Tuesday on Mt Ozren, southeast of Doboj, and in the Sarajevo area, Bosnian Serb military sources reported.

Bosnian Serb news agency SRNA reported these sources as saying that the Muslims opened small arms fire in Mt Ozren area, while in the western section of the Sarajevo front, Muslim snipers fired on the Serb positions and civilian targets throughout the day. SRNA said the Serb side did not return fire.

The agency quoted the Serb military sources as saying that the 'blue routes' around Sarajevo continue closed because, as explained, the 'Muslim side wants to use them for passage of commercial convoys, which are not envisaged under the Jan. 12 agreement.' The agreement specifies that passage of humanitarian aid and civilians alone could use the routes.

Serb Commander Protests Muslim Offensives in Bihac

LD1701190495 Belgrade SRNA in Serbo-Croatian 1533 GMT 17 Jan 95

[FBIS Translated Text] Sarajevo, 17 Jan (SRNA)—Lieutenant-Colonel-General Milan Gvero, deputy chief of general staff of the army of the Srpska republic today sent a protest to UNPROFOR [UN Protection Force] commander for the former Bosnia-Herzegovina General Michael Rose against the strong Muslim offensive in the Bihac region, calling on him to return the Muslim units to the separation lines they held at the time of the signing of the agreement on the cessation of hostilities.

The protest spells out that Muslim units have been fiercely attacking Serb defense positions in the Bihac region for five days, destroying everything Serb in their way.

Using all available weapons, the Muslim units are engaged in strong offensive actions in the direction of Ripac, Pritocki Grabez, Vedro Polje, and Klokot, the protest claims and states that in the past five days Muslim soldiers have penetrated Serb defense lines in the region of Vedro Polje, Klokot, and Baljevac and occupied these areas.

"This Muslim offensive is the most flagrant violation of the agreements signed on 23 and 31 December last year on the cease-fire and complete cessation of hostilities," Gvero stresses in his protest, adding that "it is indicative that the strongest attack by the Muslim forces took place on the eve of the meeting of the regional joint commission for the Bihac region which was to determine the lines of separation and observation posts for the forces of the UN in accordance with the agreement."

Noting that the behavior of the Muslim side and the open threats of the Muslim commander of the 5th Corps, Atif Dudakovic, indicate that the Muslims are not interested in a real cessation of hostilities, the protest calls on Gen. Rose to take firm measures against the Muslim army, like those taken "against the army of the Srpska republic when it was forced to respond to the offensives of the Muslim-Croat army."

"We expect that at this stage you will give indications of equal and fair treatment of the forces involved in the conflict and that, in addition to taking firm and effective action you will publicly condemn the crude violation of the agreement by the Muslims and objectively inform the Security Council, world factors, and the international public about this," Gen. Gvero stresses.

VRS Protest Muslim Offensive From Bihac Area

LD1701161895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 17 Jan 95

[FBIS Translated Text] Belgrade, 17 Jan (TANJUG)—The main headquarters of the Srpska republic army [VRS] lodged a protest today with General Michael Rose, the UNPROFOR commander for Bosnia-Herzegovina, because of the Muslim forces' offensive from the Bihac area in the direction of Ripac, Pritocki Grabez, Vedro Polje, and Klokot.

At the same time, they demanded that Rose should insure that the Muslim forces return to the positions they held at the time the agreement on cessation of hostilities was signed.

"Using all available weapons and brutally destroying everything Serb—primarily civilian facilities—the Muslim forces broke through our defense line and have already occupied the area of Vedro Polje, Klokot, and Baljevac. Attacks have not ceased and the Muslims are bringing in fresh forces," the VRS main headquarters stresses.

The protest note says that this is the most blatant violation of the cease-fire agreement of 23 December 1994 and of the agreement on cessation of hostilities of 31 December last year.

The protest also stresses that the Muslim forces launched the most powerful attack a day before the meeting of the joint regional commission for the Bihac region at which the lines of separation and UN observer positions were to be established.

The VRS main headquarters expects the UNPROFOR commander "to launch an urgent and effective action which will insure that the Muslim forces return to the lines of separation held at the time the agreement was signed."

"We expect you at least to be energetic and take the measures you took against the VRS when, provoked, it responded to the offensive by the Muslim-Croat army," the protest says and demands that Rose should objectively inform the UN Security Council and international players and public about the new development."

"If such a reaction fails to materialize now, that would be proof of your bias and would bring into question your honest efforts for peace in the region," the VRS main headquarter's protest to Gen. Rose concludes.

Serbs Continue Attacks on Bihac Region

AU1701195195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian

[Report by Mirza Sadikovic from Bihac]

[FBIS Translated Excerpt] A picture of how the agreed truce is not being observed can again be seen in the Bihac region today. Karadzic's and Martic's chetniks are keeping up their sporadic shelling of the defenders' lines on all fronts in the B-H Army 5th Corps and the General Command of the Croatian Defense Council's theater of operations in the Bihac region.

The joint aggressor is again mostly launching attacks from the area along the border with the so-called SAO [Serbian Autonomous Region] Krajina, and on the Velika Kladusa part of the front, where they are shelling local settlements, which Martic's and Abdic's chetniks continue to torch and plunder.

Karadzic's chetniks also provoked clashes on the Bosanska Krupa and the Bosanska Otoka parts of the front. The amassing of fresh forces, which started two days ago, has continued, especially in the area around the Zeljava Airport, Licko Petrovo Selo, Bugari, Gata, and (?villages) around Trzac. All this clearly shows that the joint aggressors are planning to attack this part of Bosnia-Herzegovina since all deadlines for the withdrawal of Martic's men from the Bihac region have expired. [passage omitted]

Serb General Claims Success in Bihac

AU1301092595 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 6 Jan 95 p 13

[Interview with Bosnian Serb military commander Manojlo Milovanovic by Goran Veljkovic; place and date not given: "There Will Be No Mercy for Dudakovic"]

[FBIS Translated Text] The unsuccessful offensive of the infamous 5th Corps [of the Army of Bosnia-Herzegovina] has put Bihac in the center of international events. After the Muslim aggression against part of the territory under the control of the 2d Krajina Corps [Bosnian Serb military], including Spasovo (formerly Kulen Vakuf), there followed a counteroffensive of Bosnian Serb forces. The military leadership of the Srpska Republic made use of the right to punish the attacker based on international law stipulations.

General Lieutenant Manojlo Milovanovic successfully led the operation by which the occupied territories were returned. In the meantime he has become the most popular personality in the media. "Hunters" try to get an exclusive interview from him, but the general does not have time to fulfill everybody's wish.

Gen. Milovanovic is said to be the main aide to Gen. Ratko Mladic. After he graduated from the military academy, he served in Macedonia. At the beginning of the war he served as a general in Croatia. He had enough years of service when the war in former Yugoslavia broke out to retire, but was happy to be invited by Gen. Mladic to come to Bosnia and make his contribution to the struggle of the Serbian people for freedom.

He says himself that the turning point came when he asked himself what he would be able to tell his grandchildren. Another point that contributed to his decision to go to Bosnia was that he could not visit his birth place at the foot of Mt. Kozara.

"I am not interested in politics," Milovanovic said at the beginning of the interview, rejecting any possibility to start with such questions.

"I came here with the task of destroying the 5th Corps and return the Serbian territories that were occupied by the enemy between 4 and 21 October 1994. I accepted this obligation and I shall fulfill it," the general said.

[Veljkovic] The fall of Bihac has been anticipated with much attention.

[Milovanovic] I could have entered Bihac any time. We surrounded it from three sides and slowly "choked" it. Every soldier who has spent more than six months in the 5th Corps is a war criminal in my eyes. The only soldiers whom I exclude are 17- or 18-year-old children who were mobilized by force. This does not mean, however, that we kill prisoners of war.

We Do Not Maltreat Prisoners

[Veljkovic] What do you do with prisoners?

[Milovanovic] We treat them correctly; we respect international military conventions. I can responsibly claim that we do not torture or maltreat prisoners. We collect them and put them into centers where they work until they are exchanged, but we do not abuse or maltreat them. It does not lie in the nature of the Serbian warrior to torture or maltreat prisoners. Nor do we abuse the wounded or those already dead, as has been done to us by our enemy.

Only a third of 5th Corps members surrender to us compared with those who surrender to Abdic, which is bad for them, since Muslims practice vendetta. Many people take revenge because members of their families, their relatives, or friends have been killed in clashes.

Apart from that, a large number of 5th Corps soldiers and officers are surrendering to us, fearing reprisals by their superiors.

[Veljkovic] Can you give us details about the clashes around Bihac?

[Milovanovic] Bihac has become a specific place in this war. Before the war, the town had 60,000 inhabitants, but until recently there were 180,000 people living there; they had come to Bihac from Kladusa, Cazin and the surrounding areas after the clashes between Izetbegovic's and Abdic's supporters broke out. The 5th Corps is holding these Muslims as its hostages now. They would very much like to leave Bihac, but they are not allowed to.

We have surrounded Bihac from three sides, but we left the Muslims the possibility to withdraw toward Cazin and Velika Kladusa. They repeatedly refused to do this, though. We could not do anything else but to call on the people to disarm, arrest Dudakovic's [commander of Bosnia-Herzegovina Army 5th Corps] soldiers, and to hoist white flags as a sign of surrender. This did not work, either. We heard that only Arif Dudakovic surrendered; he sought refuge with the UN Protection Force's [UNPROFOR] Bangladeshi battalion.

Abdic Will Not Betray You

[Veljkovic] Can one rely on Fikret Abdic?

[Milovanovic] I have not met Fikret Abdic, but he is a very good businessman to my knowledge. The only things in which he is interested are to control the television and business. He saved his people by postponing the mobilization several times and he did not always stick to agreements, but if you are afraid that he might betray you, I can tell you that you do not have to worry. He will not betray you.

[Veljkovic] How do the UNPROFOR members behave?

[Milovanovic] I had to put some of them under control when it became clear that they were directly helping the Muslims. As far as the UNPROFOR members from Bangladesh are concerned, we told them that they could withdraw only on condition that they take with them their transporters and heavy artillery, which they left to the Muslims.

The UNPROFOR has not fulfilled a single promise in Bosnia. We strongly accuse the members of the peacekeeping force from France of passively observing Muslim soldiers carrying out a massacre of Serbian soldiers on Mt. Igman.

The UNPROFOR soldiers, regardless of whether they come from England, Canada, France, or Holland, are an important weapon for us, however. There are soldiers from 18 countries at the moment. When they return home, they will tell the truth about the war in former Bosnia-Herzegovina, which suits us. To break the media blockade in this way is a very slow process, but it is efficient. This was proven in Vietnam, too. It is known that the Vietnamese did not kill U.S. soldiers. They would wound one of them, and then two or three others would come to help their friend, thus becoming very easy targets. Then, having returned home from the front as disabled people, they became a strong anti-war element, which ultimately proved to be the decisive factor.

Air Strikes Have Intensified the Stubbornness

[Veljkovic] How did people endure the NATO air strikes?

[Milovanovic] It is really true that nobody was scared. What is more, people became stubborn and determined to endure until the end regardless of the price. We had victims, which is an irreparable loss, but the United States did not cause any physical damage, although it carried out the strikes using more than 40 aircraft.

[Veljkovic] The United States suffered losses, too, did it not?

[Milovanovic] Yes. You could read about its losses in the newspapers.

[Veljkovic] Can a new Croatian offensive against the Serbian Krajina be expected?

[Milovanovic] If Croatia attacks Krajina, we shall help Krajina of course.

[Box, p 13

Ramsey and Rose Are Stereotypical Generals

[Veljkovic] You have met many foreign military officials. What are your impressions?

[Miladinovic] I met with the Scottish Gen. Ramsey soon after he became the commander in chief of part of the UNPROFOR. This is the usual procedure. Gen. Ramsey arrogantly asked me 10 common questions, which I had to answer. Only the first one was unusual. It was: "What is the difference between the two of us as officers?" The other questions were quite usual: about the no-fly zones, regions under special protection, demarcation zones, the Zepa and Srebrenica enclaves, Sarajevo, and others. I answered all of his questions except the first one. He was pleased with the answers and wanted to leave. I stopped him and told him: "You cannot leave, I have not answered all of your questions yet." I confused him a little because he could not remember which question I had not answered. "I have not answered your first question," I said. "The difference between me and you is in our functions. You have a monthly salary of DM12,000 [German marks] plus DM5,000 in travel allowances, whereas I am working to save the existence of my people," I added. My salary was DM33 at that time, but I did not mention this.

When Gen. Rose took over as UNPROFOR commander in chief, I had the same type of meeting with him. Gen. Rose wanted to show off his abilities and told me certain things from my alleged curriculum vitae. According to his sources, I had graduated the academy in Russia, which is nonsense.

On my table I had a picture of Gen. Fernandez, the commander in chief of the Falkland Islands defense in the war against Great Britain. Rose's curriculum vitae was written on the back of Fernandez' picture. I told Mr. Rose that the information he had about me was wrong and asked him whether he knew Gen. Fernandez.

He told me that he had never met a general of that name. I showed him the picture of Gen. Fernandez then, which astonished him so much that he shouted: "I know him, but I do not know you!"

Then he left.

In other words, I have the impression that foreign officers always stick to established patterns and cannot quickly respond to a new situation.

Serbs Expel 500 Muslims, Croats From Homes

AU1701160595 Paris AFP in English 1554 GMT 17 Jan 95

[FBIS Transcribed Text] Zagreb, Jan 17 (AFP)—Bosnian Serbs have forced around 500 Moslems and Croats to leave their homes in the past two weeks, a spokeswoman for the UN High Commissioner for Refugees (UNHCR) told AFP here Tuesday [17 January].

The Serb authorities in Banja Luka, Kotor Varos, Bosanska Gradiska, Kljuc and Doboj forced Moslems and Croats to abandon their homes and flee, UNHCR spokeswoman Alemka Lisinski said.

Since arriving in Croatia, the refugees have been housed in a UN centre at Daruvar some 100 kilometres (60 miles) east of Zagreb, until a third country can be found to take them, Lisinski added. Around 800 people were forced out of Serb-held towns in December last year.

Key To Peace is Muslim Withdrawal From Igman

LD1501233095 Belgrade SRNA in Serbo-Croatian 2221 GMT 15 Jan 95

[Received by fax]

[FBIS Translated Text] Sarajevo, 15 Jan (SRNA)—Major General Dragomir Milosevic, commander of the Sarajevo-Romanija Corps of the army of the Srpska republic [VRS], said this evening in a program on Serb Radio-TV Studio Sarajevo called "Defending the Homeland," that the Muslims have not withdrawn from the demilitarized zone on Igman and Bjelasnica.

"The Muslims have not withdrawn from the demilitarized zone, and this is the key to the continuation of the implementation of the agreement on the full cessation of hostilities in the former Bosnia-Herzegovina. Inclement weather is no justification for the failure to undertake obligations, and UNPROFOR [UN Protection Force] has still not carried out its inspection, and the Serb side has not been shown proof of respect for agreements hitherto," Gen. Milosevic said.

Recalling that bad weather and snow had not prevented the Srpska army from carrying out its obligations in February 1994 in terms of grouping its heavy weapons and placing them under UNPROFOR control, the commander of the Sarajevo-Romanija Corps accused the Muslims of misusing the four-month cease-fire to prepare fresh offensives against the Srpska republic.

"Preparations for fresh offensives are concealed behind the Muslim failure to respect the agreements, and we have already had many such negative experiences with cease-fires up to now. The planned raising of combat readiness is being undertaken in units of the Srpska army so that it might harmonize its activities with those of the enemy forces," Maj. Gen. Milosevic warned.

He recalled that the Muslims had also failed to respect the reciprocal agreement to halt infantry movements and military maneuvers of units from the protected zone of the Muslim part of Sarajevo after the grouping of Serb heavy weapons.

"Despite the bad weather, UNPROFOR very conscientiously checked the carrying out of Serb obligations, but has not reacted to the Muslim failure to respect agreements," Gen. Milosevic assessed.

Expressing satisfaction at the peaceful situation on the front with the Croats near Kiseljak, the commander of the Sarajevo-Romanija Corps added that the Croats are respecting agreements reached in this sector of the front, but that there is no lowering of the guard of the VRS on this front either.

Karadzic Meets Serbian Opposition Leader

LD1701193995 Belgrade SRNA in Serbo-Croatian 1533 GMT 17 Jan 95

[FBIS Translated Text] Sarajevo, 17 Jan (SRNA)—In Pale today, Radovan Karadzic, president of the Srpska republic, received Vojislav Kostunica, leader of the Democratic Party of Serbia [DSS—opposition party in Serbia], with whom he examined the current political situation in the Serb lands.

The talks were also attended by [Srpska republic] Vice Presidents Nikola Koljevic and Biljana Plavsic, People's Assembly Chairman Momcilo Krajisnik, and Foreign Minister Aleksa Buha.

Prior to this meeting, Kostunica met Velibor Ostojic, chairman of the Executive Council of the Serb Democratic Party [SDS—ruling Bosnian Serb party], and discussed interparty cooperation.

Serb Deputies Deny Aim To Topple Leaders

LD1301132495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1159 GMT 13 Jan 95

[FBIS Translated Text] Banja Luka, 13 Jan (TANJUG)-—The reasons why the club of independent deputies was set up in the People's Assembly of the Srpska republic are honorable ones and they are not a smoke screen for a wish to topple this or that leadership, Milorad Dodik, chairman of the club of independent deputies in the People's Assembly and deputy from Laktasi, said in an interview with the Banja Luka daily GLAS SRPSKI.

"We simply want our independent voice to be heard in the republic's parliament at a time when the fate of our nation and all our citizens is being determined", the chairman of the club of independent deputies said. The setting up of the club caused conflicting reactions in the Srpska republic.

Dodik believes that "in this political chaos it is practically impossible to define a platform, or rather, the political orientation of various political groups".

"Certain deputies went as far as calling us traitors; they demanded our resignation and withdrawal from the parliament." But, Dodik added, "this does not mean that someone can prevent us from saying that at time mistakes were made, because we also support the Srpska republic as a state of the Serb nation."

Izetbegovic Assesses Economic Program, Financing

AU1701152295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1150 GMT 17 Jan 95

[Address by Bosnia-Herzegovina President Alija Izetbegovic to deputies at the Bosnia-Herzegovina Assembly session in Sarajevo—live]

[FBIS Translated Text] Mr. Chairman, deputies, and esteemed guests: I am not sure that I will be able to attend the afternoon part of the session since I have other obligations, so I would like to assess what has just been presented. I suggest that we adopt the plan—the government's economic plan as presented by Prime Minister Silajdzic—provided the government immediately begins drafting precise, concrete programs for certain individual points of the program.

Namely, this [words indistinct] that is, of course, optimistic, it introduces a note of optimism, however, we need quantity surveys, precise, concrete programs, because for example, I do not see from this—and it should be clear, at least from (?subsequent) programs—how the Army is going to be financed, I do not see financial growth, the size of the revenue—at least certain assessments as to how much revenue we can expect—what are the stable sources of revenue and how it would be divided between the republic and the municipalities; it is not clear what the municipalities' position in respect to the revenue would be, which would, in turn, enable the municipalities to decide on a course of action. [sentence as heard] Furthermore, I believe that the government should consider an issue—or better said, two major issues ... [pauses] I do not know whether you are aware of the brain drain, I do not know whether you are aware of this, but it is a very serious issue that worries us and with good reason; our engineers, and particularly doctors, are leaving; this is a slow process that perhaps escapes notice if viewed within a short time span, but if you look at it in the long term, the number of people who have left the country is so great that it really does take on worrisome proportions. The government must deal with this issue, and it must find a solution to put a stop to it.

Furthermore, bad news is coming from abroad. A large number of our people are abroad. I do not know whether you are aware that these people are becoming estranged from their homeland. We very often take a very idealized view of our situation, the situation of our refugees abroad. As far as their economic position is concerned, their situation is not unfavorable, at least not the position of a great majority, particularly in Germany, Austria, and Switzerland.

However, the psychological and political aspect of their situation is very unfavorable. I am afraid that a great number of them are considering [words indistinct] returning. A great number of them are increasingly estranged from their people. Why? In my opinion, we have passed up a chance to do something that we could have done—namely, to have media links with the world. The world does not hear our main newscasts, yet we could have done this. The project did not necessarily have to involve large investments; it is more likely that [words indistinct], if not satellite television—which is quite costly.... [pauses] but in my opinion we could have realized that project too, since in principle we had an agreement with Turkey for a period of 18 months; however, it was never implemented. Nevertheless, we could have obtained the so-called shortwave so that every Bosnian individual out there who has a small radio could tune in and in this way maintain a link with the homeland. You see, a journalist, one of our distinguished journalists who recently visited Germany—and the majority of our people are there—observed that our refugees, when enrolling their children in schools, are not really insisting that they learn the Bosnian language [words indistinct]. We have, in principle, —in direct contacts and with perseverance—achieved that the majority of German schools have the Bosnian language as part of the curriculum. However, they do not insist on this; they want the children to resemble Germans—that is what the journalist concluded—and this is a very worrisome issue.

What I want to say is that there is a whole array of quite concrete problems that should be solved, and I would once again like to stress that we have to have a clear (?idea) of how to finance the Army. [Words indistinct] we (?have) started reorganizing the Army. What I can say publicly—I will not go into details—is that we are establishing a nucleus comprised of operative brigades. This nucleus of the Army [changes thought], the Army is comprised of the nucleus and a wide platform of territorial units. This nucleus is going to be quite costly. We have to find ways to equip it, to [words indistinct], to train it and equip it with weapons and, of course, clothing and footwear, and to take care of their families. A soldier who is currently up in the hills must not worry about his family being hungry. He must be secure in the knowledge that (?his family's) existence has been taken care of. Therefore, I wish to say that there are at least three or four points that must [words indistinct] must find (?solutions) and quite concrete programs, [word indistinct], quantity surveys, and so forth must be drawn up and carried out. That is what we should expect in the next month or two. Thank you.

HDZ Addresses Problems Facing Sarajevo Croats

LD1701182795 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 17 Jan 95

[FBIS Translated Excerpt] On a visit to Sarajevo, a delegation of Croatian people had several important meetings, our special correspondent reports. [Gasparevic] [Name indistinct] Gasparevic reporting from Sarajevo for HINA. Dario Kordic, president of the Bosnia-Herzegovina HDZ [Croatian Democratic Union] today addressed members of the Sarajevo HDZ city committee, speaking about the problems of Sarajevo Croats. Also present were Bosiljko Misetic, special envoy for confederal relations between Croatia and the Bosnia-Herzegovina Federation of Croatian President Franjo Tudjman, Zdravko Sancevic and Hidajet Biscevic, Croatian ambassadors to Bosnia-Herzegovina and Turkey, and Ivan Bender on behalf of Croat deputies in the Federal Assembly.

In an open meeting they agreed on the need for Croat officials in federal bodies to visit Sarajevo more frequently and that a top-ranking official of the Bosnia-Herzegovina HDZ should stay in the Federation's capital on a permanent basis. The members of the HDZ Sarajevo city committee said that in Sarajevo the general staff of the Bosnia-Herzegovina Army began a fresh mobilization of all men up to 45 years of age and called for the protection of Croats. There was also a warning of the poor coverage of Croat issues in the Sarajevo media. The founding of a Croat municipality is the condition for the survival of Croats in this city, said Kordic. [passage omitted]

The Croat officials also visited the joint command of the HVO [Croatian Defense Council] and the Bosnia-Herzegovina Army and were received by General Ante Roso. A proposal was made, said Kordic, to reestablish the HVO in Sarajevo. The delegation also visited the Croatian Embassy in Sarajevo.

At the time of this report talks are under way between the Croat delegation and U.S. Ambassador to Bosnia-Herzegovina Victor Jackovich, while a top-level meeting between Croat and Bosniak officials in Bosnia-Herzegovina is scheduled to take place this evening.

DM5 Million Aid Received Through ICRC

LD1501155595 Belgrade TANJUG in English 1347 GMT 15 Jan 95

["Pool" iten]

[FBIS Transcribed Text] Banja Luka, Jan. 15 (TANJUG)—Five million German marks' [DM] worth of aid were secured through the office of the International Committee of the Red Cross [ICRC] in Banja Luka in 1994, office head Erich Durst said. This aid consisted of medicines, surgical material, and articles for personal hygiene, he said.

The figure does not include about 5,480 tons of food items, 51,400 blankets, 83,300 kg soap, 73,400 candles, and 767 heating stoves which arrived in Banja Luka for further distribution, he said. Durst especially pointed out that 1.04 million kilos of maize seed, potatoes and vegetable seeds for the spring sowing had also arrived in this major Bosnian Serb center. This will help the population become less dependant on Red Cross aid, he said.

The Banja Luka ICRC office covers 35 municipalities, Durst said. it did much to secure the necessary quantities of chlorine for disinfecting drinking water and to supply spare parts for repairing waterworks.

The biggest sum of money was invested to repair waterworks in the town of Derventa in northern Bosnia-Herzegovina. The 700,000 marks' worth repairs were financed by the Swedish Red Cross, Durst said. The office also last year managed to pass close to 190,000 messages and join 961 families torn apart by the war, he said. The office also did much to protect prisoners of war and civilian captives.

Despite minor problems, Durst said he was pleased with the cooperation with the local authorities. He said he hoped cooperation would be even better now that a 4-month ceasefire had been signed.

Martic Letter to Butrus-Ghali Questions Tudjman

LD1701150395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1321 GMT 17 Jan 95

[FBIS Translated Text] Belgrade, 17 Jan (TANJUG)—Milan Martic, the president of the republic of Serb Krajina [RSK], in a message he sent to UN Secretary General Butrus-Ghali today, states that Croatian President Franjo Tudjman's letter, in which he informed Butrus-Ghali that he would cancel the peace forces' mandate, contains untruths which could mislead UN officials into reaching decisions detrimental for the RSK.

In his message, also dispatched to TANJUG, Martic recalls that on 31 May 1994 the Croatian Government wrote to the UN General Assembly informing it that 179,068 Croats had lived in the RSK, while Tudjman now claims that "the RSK has expelled 390,000 Croats."

The RSK president stresses that claims from Tudjman's letter stating that "the Serb side expelled and killed Croats" during the stay of UNPROFOR [UN Protection Force] in the RSK and Croatia are false, and underlines that "UNPROFOR's bodies registered around 800 incidents of [Croats] opening fire and of Croat raids into RSK territory between January 1992 and January 1993," and that "the Serb side suffered almost 600 casualties."

Martic also quotes the well-documented information which the nongovernmental organization Veritas sent to the International Tribunal for War Crimes in The Hague on 23 December last year.

According to the facts given by Martic, in June 1992 the Croatian Army occupied the Miljevci plateau in the RSK and killed 40 civilians; on 22 January 1993 and "during the great aggression against the RSK and the United Nations," it killed 326 people from Ravni Kotari; on 8 September 1993 it razed three larger and six smaller villages in the Medak pocket, on which occasion 86 villagers were killed; and on 6 September the same year it killed seven civilians in the village of Mirlovic Polje, Drnis municipality.

The RSK president assesses as insolence the fact that Tudjman accused the RSK of expelling the Croatian, Hungarian, Slovak, Romanian and Czech people, and said it is "a well-known fact that the Croatian Army expelled members of these minorities from the RSK when it lost the war in this territory."

"It is the Republic of Croatia which was responsible for the real ethnic cleansing of Serbs, as you know, because you mentioned it in your report to the UN Security Council of 15 May 1993. In this report you wrote that by 18 March this year, Croatia expelled to the RSK and Yugoslavia 251,000 Serbs, peaceful citizens, mainly from central parts of Croatia and from its larger cities," Martic writes in his letter to Butrus-Ghali.

The RSK president feels it is necessary to reveal many erronous claims made by Croatia, which have been imposed on the international community so that Croatia's destructive effect on the peace process and on efforts to reach a just solution in the Croatian-Serbian conflict can be eliminated.

Martic also stresses that the RSK government is prepared to resume talks with Croatia, and he confirms the RSK's decision to accept a small UNPROFOR contingent if Croatia, as Tudjman announced, terminates its mandate on 31 March this year.

Ready To Receive Peacekeepers

LD1701185495 Belgrade TANJUG in English 1739 GMT 17 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 17 (TANJUG)—Republic of Serb Krajina [RSK] President Milan Martic on Tuesday informed United Nations Secretary-General Butrus Butrus-Ghali that Krajina Serbs were ready to receive U.N. peacekeepers if Zagreb should send them away from its territory.

Martic said in a letter that the Krajina government had decided to offer hospitality to the small part of the U.N. Protection Force (UNPROFOR) that is currently in Croatia if Croatia expelled them on March 31, when its current mandate expires. Martic also informed Butrus-Ghali that the Krajina government was prepared to continue peace negotiations with Croatia.

Croatian President Franjo Tudjman last Thursday informed Butrus-Ghali in a letter that Zagreb had decided to withhold its consent for an extension of UNPROFOR's current six-month mandate.

UNPROFOR troops were deployed in Krajina and Croatia in March 1992 on the basis of a plan proposed by international mediator Cyrus Vance. Their task was to separate the confronted Croatian and Krajina Serb forces and keep peace until a final political solution.

The republic of Serb Krajina was proclaimed in Serb ethnic and historical territories in the former Yugoslav Republic of Croatia after Croatia unilaterally seceded from the former Yugoslav Federation and removed Serb national rights from its Constitution.

Although the Serb Krajina was declared a United Nations Protected Area (UNPA), this year.

Martic informed the U.N. chief that Tudjman's latest letter to him (Butrus-Ghali) contained false information that frequently appeared in Croatian documents and misled U.N. officials. Unfortunately, this has decisively influenced the U.N. Security Council to adopt decisions that were harmful to the republic of Serb Krajina, Martic said. He recommended to the U.N. secretary-general to compare the Croatian Government's letter to the U.N. General Assembly on May 31, 1994, and Tudjman's latest letter.

In the former, the Croatian Government asserted that 179,068 Croats had lived in Krajina, while in the latter Tudjman claimed that Krajina Serbs had expelled from that territory about 390,000 Croats. Tudjman mocks both the truth and the United Nations by claiming that the Serb side has been persecuting and killing Croats in the Serb Krajina and Croatia during UNPROFOR's presence, while the truth, as the U.N. secretary-general should know, is the opposite, Martic said.

He said UNPROFOR troops had reported in the period between January 1992 and January 1993, about 800 Croatian incursions or opening of fire on the Serb Krajina territory, in which about 600 Serbs had been killed.

Martic informed Butrus-Ghali that the Krajina nonprofit non-governmental documentation and information center veritas had submitted to the international war crime court in The Hague reports about Croatian crimes (Dec. 23, 1994—No. 29/94).

In a document containing 35 pages of text and 70 photographs, veritas showed to The Hague tribunal the results of Croatia's occupation of the Miljevac plateau in Serb Krajina in June 1992, in which 40 Serb Krajina citizens were killed, said Martic.

The Croatian Army launched a new offensive on Krajina and UNPROFOR on Jan. 22, 1993, when it killed a total of 326 inhabitants of the Ravni Kotari region, including children and old people, Martic said. Two hundred photographs were enclosed to the 26-page document on the offensive. The center informed The Hague court that the Croatian Army had totally razed three large and six smaller villages in the Medak pocket on Sept. 8, 1993, Martic said, adding that the offensive was covered on 45 pages and included 112 photographs.

In the village of Mirlovic Polje near Drnis, Croatian troops killed seven civilians on Sept. 6, 1993 and the massacre is described on 23 pages of text accompanied by eight photographs, said Martic. He said Tudjman's allegations about persecution on the part of the Krajina Serbs were insolent because real ethnic cleansing had been practiced by the Republic of Croatia against Serbs.

Martic said Butrus-Ghali was aware of this because he had personally said in a report to the Security Council on May 15, 1993 that Croatia had expelled to Krajina and Yugoslavia 250,000 Serbs, who had lived as peaceful citizens mostly in the depth of the Croatian territory and in major towns.

In conclusion, Martic expressed hope that Butrus-Ghali would agree that Croatia's numerous false allegations had been imposed on the international community as truth and that it was essential that they be fully revealed, so that their fatal influence on the peace process should cease.

Martic Criticizes Cancellation of UN Mandate

LD1701155395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1424 GMT 17 Jan 95

[FBIS Translated Text] Knin, 17 Jan (TANJUG)—Milan Martic, president of the republic of Serb Krajina [RSK], visited eastern Slavonia and Baranja today and met in Erdut with representatives of the military and civilian authorities and parliamentary deputies from that region, the RSK president's information service announced.

The security situation and the overall political situation in the republic, following the Croatian authorities' decision to cancel UNPROFOR's [UN Protection Force] mandate, was discussed at the meeting which was also attended by Acting Interior Minister Nebojsa Pavkovic.

The statement says that participants in the meeting unanimously agreed that UNPROFOR's departure from the region will jeopardize the peace process and pose a serious threat to the cease-fire.

The need for continued strengthening of all elements of statehood, especially of the defense system, was underscored during the meeting. It was stressed that all the authorities in the RSK should be deployed on that task.

RSK SPS Criticizes UN Sanctions Resolution

LD1401143595 Belgrade TANJUG in English 1405 GMT 14 Jan 95

[FBIS Transcribed Text] Knin, Jan. 14 (TANJUG)—Serb Krajina Socialists have said the U.N. Security Council resolution to extend the partial suspension of sanctions against Yugoslavia is a threat to the continuation of the peace process.

A statement released by the Serbian Party of Socialists [SPS] of Serb Krajina [RSK] on Saturday said the resolution was yet another attempt to break up the unity of the Serb people in the territory of former Yugoslavia. The statement said the resolution and Croatian President Franjo Tudjman's decision to deny further hospitality to U.N. peace troops were a gross violation of the Vance peace plan.

The plan placed the territory of Serb Krajina under U.N. protection in 1992 pending a peaceful settlement of the Croatia-Krajina conflict. The U.N. Security Council on Thursday [12 January] adopted a resolution to continue the partial lifting of sanctions against Yugoslavia for another 100 days.

There were new conditions, however, linking the question of the sanctions with the resolving of the conflict between Croatia and the republic of Serb Krajina.

These decisions jeopardize the continuation of talks with the Croatian side, the statement said.

The Krajina socialists proposed to top Krajina organs of authority to re-examine their further participation in talks with the Republic of Croatia under the new conditions which have placed the two sides on an unequal footing.

The party 'supports the continuation of the mandate of the U.N. peace force until a political solution is found in equal talks based on the Vance plan,' said the statement.

The socialists appealed to Serb people to be united in offering resistance to all solutions which are not in their interest.

The decision to deny further hospitality to the U.N. Protection Force, whose current six-month mandate expires in March, was announced by Tudjman on Thursday evening in an address to the nation.

Serbs in Croatia set up their own state, the republic of Serb Krajina, in 1991, after Croatia launched a war of secession from the former Yugoslavia and removed serb national rights from the Croatian constitution.

U.N. troops were deployed in the territory which was proclaimed a U.N.-protected area in March 1992 under the Vance peace plan signed earlier that year by Croatia, Krajina and the Federal Republic of Yugoslavia.

Tudjman Aide Defends UN Withdrawal Decision

BR1801101595 Oslo AFTENPOSTEN in Norwegian 16 Jan 95 p 7

[Report on interview with Hrvoje Sarinic, adviser to President Franjo Tudjman, by Ulf Andenaes; place and date not given: "Croatia Does Not Fear the Serbs"]

[FBIS Translated Text] *Zagreb—Croatia is not afraid of war and will not be intimidated by Serbia's alleged military superiority. This is what Hrvoje Sarinic told AFTENPOSTEN. Nobody in Croatia, except the president himself, is better able to explain the reasons why Croatia is now throwing nearly 15,000 UN soldiers out of the country. He is President Franjo Tudjman's right hand: the head of his office and Croatia's chief negotiator in the UN-led peace initiative in the Balkans.*

The building housing the president's office has a secluded hillside location on the outskirts of Zagreb. It is modern in style, somewhat reminiscent of a mausoleum, and the guards standing watch wear crimson uniforms which look like they were borrowed from the days of the imperial Austrian hussars. Sarinic himself is a cultivated and courteous man, who during the communist regime in Yugoslavia spent much of his life abroad. He is an engineer by profession, educated largely in France, and speaks English with a French accent. Many people today consider him the number two man in the country after the president.

"The fact that we have given the United Nations notice to withdraw is not a declaration of war on our part," he said. "Neither we nor the Serbs want a new war."

[Andenaes] What does the United Nations have to do in order for Croatia to reverse its decision and let the peacekeeping forces stay in the country?

[Sarinic] That is a completely academic question. Our decision cannot be reversed. It could not be postponed any longer. If things go on as they have until now, our country will remain permanently divided. Last autumn we specified new conditions for extending the UN mandate: implementation of the Security Council decision on Croatia as a sovereign state through the restoration of normal conditions throughout its entire territory. And most importantly: All refugees and displaced persons must be able to return to their homes.

None of these conditions have been fulfilled. We still have over 300,000 displaced persons in our country. Many of them were driven from their native districts during the term of the UN mandate. That means that the United Nations is not only incapable of putting its own resolutions into effect, it also lacks the ability to prevent new infringements.

In March last year we agreed to a cease-fire. There was agreement then that negotiations on points of political disagreement would start within two weeks. We were willing, but the Serbs have stalled. The only positive result was the opening of the highway between Zagreb and Belgrade. But the Serbs have set up their provocative flags and symbols along the route, in direct violation of the agreement.

[Andenaes] Are you not worried about the increased danger of war?

[Sarinic] Not at all. On the contrary, the removal of UN troops may speed up the peace process. The Serbs will be more strongly motivated to take the negotiations seriously, if they are no longer protected behind UN lines. Significantly enough, the Serbs have been strongly against a withdrawal of UN troops. That shows which side has benefited. Economically the Serbs can ill afford a new war now. We believe they will accept our peaceful offer of new negotiations.

[Andenaes] How do you think the withdrawal of UN forces should be carried out?

[Sarinic] The UN military organization has vast experience of such operations in many parts of the world. The United Nations can also count on our practical help.

[Andenaes] What about those parts of Croatian territory which are especially vulnerable to Serbian attack, such as Dubrovnik and other places on the coast?

[Sarinic] During our war of independence Dubrovnik was shelled by Serbs and Montenegrins, but since then our Army has captured several important strategic positions. It would therefore be much more difficult for the Serbs to carry out the same barbaric actions today.

[Andenaes] Is the Croatia of today strong enough militarily to survive a new military trial of strength with Serbia?

[Sarinic] Croatia's Army is now well-trained and solidly equipped. Serbia's Army is overrated. It was already in difficulties during its destruction of Vukovar. At that time we had practically no weapons. Nevertheless the Serbian force with its superior armed strength took all of three months to take the town. Today we are far better prepared. We are arming our forces, but we are looking for ways to peace at the same time.

[Andenaes] What minority rights will Croatia grant the Serbs on its territory?

[Sarinic] Our constitution will guarantee them internal autonomy where they are in an absolute majority. We are ready to give the Serbs cultural rights everywhere in Croatia. They will retain their own schools, representatives in central institutions, in parliament, and in the government. The only thing we are not willing to give them is the right to tear themselves free from our state.

Martic Views Signing of RSK-Croat Agreement

AU1501200195 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 6 Jan 95 pp 25-26

[Interview with Milan Martic, president of the republic of Serbian Krajina, by Branislav Ribar in Knin; date not given: "Never Again in Croatia"]

[FBIS Translated Excerpt] The first thing that "catches one's eye" when entering the office of Mr. Milan Martic, president of the republic of Serbian Krajina [RSK], in Knin is its small size.

The office is small, albeit very nicely arranged. Behind the president's right shoulder, one sees the Serbian tricolor—the official RSK flag—to the left of his desk stands a small cabinet with a well-made gusle [Serbian folk string instrument] and a multicolored loom-woven bag.

In front stands a framed RSK coat of arms—two-headed eagle with the crown of the Nemanjics [dynasty ruling Serbia from 12th to 14th centuries].

During the conversation, the president of the westernmost Serbian state often glanced to a large portrait of Jovan Raskovic, pan-Serbian tribune and the Krajina Serbs' spiritual leader. His phenomenal patriotism is held sacred by the Krajina people. The extent to which the Serbian people in Krajina are "crazy" and the extent to which this is a "crazy country," the Ustasha scum has seen for themselves during more than four years of war. The local Serbs know very well what they are fighting for and against.

'We can talk only if you are from the OSLOBODJENJE in Cyrillic and not from the one...,' President Martic says with a smile offering us the seats.

[Ribar] Mr. Martic, we are talking only a few days after the signing of the agreement on economic cooperation between the RSK and the Republic of Croatia and the first open Russian veto in the Security Council (regarding Russian opposition to the resolution that would make oil imports into RSK impossible).

[Martic] As far as we were concerned, we showed more cooperativeness to the world than anybody expected, and we also demonstrated our willingness to overcome all disagreements in a peaceful way and on an equal basis and thereby reach a just solution. This package on economic cooperation has equal importance. However, the Croats obviously did not reckon with that and are now trying everything possible to circumvent the agreement signed. In fact, this package means nothing to them. What I said a long time ago—that the Croats need a reason for the war option and solving the Krajina problem by means of war—is now confirmed. In fact, they tried to push through the Security Council a resolution on an explicit ban to imports of oil and other important items into RSK without Croatia's consent and expected us to protest it, after which the world would accuse us of a lack of cooperation and they would gain a buttress for their war option.

They were all surprised by the Russian veto. Honestly speaking, it surprised us too, as we had no concrete help from Russians before that, except for empty promises that they were going to do something. Therefore, this was the first concrete intervention on the part of the Russians. However, with that act, Russia saved not only us. It saved its own face and the entire negotiations process. However, the very realization of the economic agreement is called into question as Croatia has violated the first stage of the cease- fire agreement by amassing its a multitude of forces along the entire RSK border. Whether there is to be renewed aggression depends not on us, but on the Croatian leadership and whether international factors prevent the aggression or not. [passage omitted]

[Ribar] There is an open apprehension in Serbian lands that the signing of the economic program of cooperation with "the Croatian homeland" could mean a preparation for reintegration of the RSK into Croatia. True, in your telegram of gratitude to Yeltsin for the Russian diplomatic move made in the building on the East River, you pointed out that this Russian "nyet" is in fact a support for the Vance plan, which explicitly guaranteed that a political solution cannot be prejudiced.

[Martic] Yes, there will be nothing with this reintegration. The Croats also know that very well. However, we understand them to a certain extent as they must present things to their people in a certain way. The Croatian leadership, Tudjman in particular, is subject to the hardly bearable pressure of the opposition which has constantly been attacking him for, as they put it, losing a large part of Croatia, so he has to justify it with his signature on the economic cooperation agreement as "proof" of partial reintegration of the RSK into Croatia. Of course, there is nothing there, as that is not a political solution, but a mere agreement that both sides have signed under equal conditions.

As regards my telegram of gratitude to Yeltsin, I was of the opinion that there was an opportunity to extend support for such a Russian course, the only right solution, albeit not only for us, the Serbs, but also for the Russians, as—it is well known—that it is not we, but they who are the final goal.

[Ribar] Is it possible that by signing an agreement with the RSK, Croatia has, with international mediation and against the will of its leaders, recognized the RSK as a state?

[Martic] You have observed well. Exactly, this was a case of recognition of the RSK and they probably did not sign this agreement willingly, but under pressure mainly of the United States and Germany.

[Ribar] Is there any room for other forms of cooperation with Croatia, apart from the economic one that has been agreed?

[Martic] Yes, but the basic prerequisite in all this is that we recognize one other. We could then embark upon all other forms of cooperation as our destinies are simply linked to one other. However, I think this will be impossible as long as we live in one state.

[Ribar] Croatian "hawks" headed by Defense Minister Gojko Susak are speaking up again and threatening the return of the "occupied" (!?) territories into Croatia's "historical borders." Even Tudjman himself—if they are to be believed—was recently forced to pacify them, particularly as regards Croatia's announced interference for a solution to the Bihac war drama. Mr. President, how do you explain these "good vibrations" coming from the Presidential Palace?

[Martic] Tudjman's hawks are in fact his extremists; he accepted them in the past because of Ustasha emigres and the money he used to receive from them. Susak obviously could not have been at that level, but, for reasons mentioned above, Tudjman accepted him and other extremists who are now threatening not only the RSK (we are not afraid of them of course), but also Tudjman himself and his state. It is a threat to the state, and not only to its existence, but also retaining what they have.

[Ribar] So far, the RSK is a territorially incomplete entity. How is one to connect the eastern and western part? The opening of the Belgrade-Zagreb Highway and railroad traffic in the future is probably one of the ways to solve that problem in a more permanent manner.

[Martic] It will be solved permanently, if we are lucky, when we unite into one Serbian state and have a compact territory.

[Ribar] How many Serbs are now living outside the RSK?

[Martic] About 100,000—some in Serbia, some in diaspora. These are mostly people who left the border regions in 1990 and 1991.

[Ribar] How many Croats are living on RSK territory and how many other minority peoples are there?

[Martic] There are 5,000-6,000 Croats and about the same number of Hungarians, as well as a few fewer Slovaks, Italians.... We guarantee them all rights according to international legal standards....

Flocks of NATO birds have recently been hedge-hopping over the RSK territory and "laying" lethal eggs there at the request of "flight controls" in Sarajevo and Zagreb. From the point of view of international law, Zagreb's call to raid us was particularly unintelligent as these people "up there" consider the RSK part of their "own homeland."

In fact, this was Tudjman's request, but not because he is very sorry about Bihac and the Muslims. It is clear that the Croats and Muslims do not love each other, that their federation basically does not exist. There will never be any love there. The request was aimed more at destroying one of our strategically significant facilities so that, in case of aggression against us, the RSK would not be able to use it. This was also done under pressure of Germany and some other countries in the international community, but we very quickly resumed operations at that airport, which is not the only one. We have made some more airports about which these gentlemen know nothing. In fact, not for a single moment were we in any danger, nor was our air force threatened.

[Ribar] Some western countries, above all France and England and, which is particularly important, a large section of the U.S. establishment, began more radically altering their former warmongering and biased, basically anti-Serbian policy toward the Srpska republic and the RSK. What is your comment regarding that about-face?

[Martic] That is not difficult to explain. When the Serbs mustered the strength to rearrange their ranks, particularly in the military sense, and to bare their teeth to all these extremists, to show their strength and power, it turned out that everybody else then started coordinating their views on that. Therefore, the stronger we are, the more the others are going to respect us! And we Serbs are very strong and are going to prove that to the entire world. It is not because we want to do so, but because we are forced to defend ourselves to the bitter end. This is our strongest motive, which none of the other forces have.

[Ribar] How can you explain frequent explosions around military facilities in Croatia? A helicopter with "humanitarian cargo" on board recently exploded at a military base, the Lucko airport. Even the London THE INDEPENDENT expressed suspicion in connection with the explosion, and accused Croatia of being directly involved in war activities in parts of the former Bosnia-Herzegovina

[Martic] It is known that there are huge disagreements among their political parties and that they have been spiking each other's guns. All of them include extremists ready to perpetrate any kind of subversion. There are some such people in the Serbian parties as well, Djukic's and Pupovac's in which Serbian awareness has been aroused, so that nothing can be overlooked in that respect.

[Ribar] The public remembers your words from a speech in electoral campaign recorded by television cameras; you said then, let me paraphrase your words, that your main goal is the unification of the Srpska republic [as published] with other Serbian lands, so that, in the end, when this job is successfully completed, you are able to hand power to Serbian President Slobodan Milosevic. What would you say to the electorate of the westernmost Serbian state which is being created?

[Martic] Today, I would say that I have the same desire: For all Serbian states to unite into one and for the people to choose their leader in elections. I would certainly not be one of the candidates or try to be elected. My job will have been completed, of course provided that before that I bring the RSK into a joint state of all Serbs.

[Ribar] Mr. Martic, nothing has been done yet about the unification of the RSK and the Srpska republic, which their peoples wanted. The Assembly session held at Plitvice announced that the time for unification of the two Serbian lands will come soon, but....

[Martic] The unification process has been progressing rather well and nobody will stop it. Relations between the leaderships of the RSK and the Srpska republic are extremely good and the unification will certainly take place. Not because of us, but because the people want it.

However, it is known that there still exist some limiting factors, above all international ones. There is also the question of solving the national status of the Srpska republic, that is, it should be granted international recognition and then it will be easy to find a way to unite. We are in fact already united and are only waiting for formal confirmation. I hope that it will come soon. [passage omitted]

[Ribar] Some of the media, particularly in Serbia, are literally competing to prove to their readership that there is a rift in the top political leadership of the RSK. Moreover, some claim that the only one to have remained at your side is Major General Milan Celeketic....

[Martic] In any case, this is an ill-intentioned media. I am convinced that they are also to a large extent directed. One thing is certain: differences in opinion exist everywhere, including here in the RSK. Certainly, the final goal of the political activity of the RSK leaders must be joint and united, but not because we may desire and want so at a certain time, but because the people want to achieve a goal and will not relinquish it. This is why articles in some Belgrade independent newspapers and their gossipy messages cannot upset me.

[Ribar] A reconnaissance aircraft, pilotless and appointed with modern equipment, was recently downed above RSK territory.

[Martic] That is nothing unusual. The aircraft flew over our territory and we downed it. We are capable of downing not only such aircraft but also these NATO "hawks" as well as any others. If they continue to fly in our sky, such cases will become much more common than they have been.

[Ribar] The Croats are bragging that they have taken the peak of Mount Dinara—the Troglav—from where they can hit Knin itself. Might one perhaps respond to such an attempt with retaliatory measures against, for instance, Zagreb, Split.....

[Martic] You know what: If a new war against the Croats came about, it would be an all-out war. This time they will not have Kadijevic and other protectors who would save Zagreb and other places. They know that very well and will not dare do any such thing. [passage omitted]

Prime Minister Valentic Assesses Asian Tour

LD1701201195 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 17 Jan 95

[FBIS Translated Text] The Croatian delegation, led by Prime Minister Nikica Valentic, returned this morning from the tour of China, Hong Kong, Indonesia, Malaysia, Sri Lanka, and Kuwait. The purpose of this trip was to expand trade contacts and open diplomatic offices, Prime Minister Valentic said at a news conference. Tihomir Vinkovic reports:

[Vinkovic] Speaking about the reasons for this visit, Prime Minister Valentic said:

[Begin Valentic recording] Our trip was motivated first of all by the desire that Croatia should consolidate political relations and, what is particularly important for us, develop trade contacts in the most important countries of Asia, where two-thirds of the world's foreign trade is conducted.

I take this opportunity to say that not just our survival, but also the development of industrial production and a rise in the standard of living, depend exclusively on our concentration on third markets, and the only real markets are the countries of China, Indochina, and Asia. [end recording]

[Vinkovic] With the process of decentralization in China under way, Croatia expects better cooperation with Chinese provinces. I expect that the Croatian-Chinese trade exchange would reach $1 billion, said Prime Minister Valentic.

He also stressed the importance of his visit to Indonesia, member of the UN Security Council and chairman of the

Nonaligned Movement, and—with its 2 billion inhabitants—the largest Muslim country. Indonesia's economy is on the rise, and concrete forms of economic cooperation were agreed during this visit.

Croatia should also take advantage of its relations with Hong Kong—the biggest port in Asia and the capital of the banking world.

In Malaysia, the Croatian delegation was reassured that Croatian firms had big potential in the shipbuilding and construction industries, especially construction engineering. One contract has already been signed with Croatian firm, Koncar. Kuwait was interested in developments in our region and was seen as a potential trade partner.

[Begin Valentic recording] We must develop things in Croatia in such a way that our firms could win such contracts and be successful. A great deal of work is ahead with the Chamber of Commerce, the Employers' Association, and with big firms, to enable them to win contracts, and—more important still—to do their job well and get paid for it. [end recording]

[Vinkovic] As far as diplomatic relations are concerned, it was agreed to open a Croatian Embassy in Malaysia next month, and another one in Indonesia soon.

Concern was voiced over Tudjman's decision to terminate UNPROFOR's mandate. However, all the countries recognized Croatia's integrity and saw the situation in the occupied areas as a Croatian internal matter, said the prime minister.

Tudjman Addresses Scientists, Academics

LD1401191295 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 14 Jan 95

[FBIS Translated Text] Franjo Tudjman, president of the Republic of Croatia, has hosted a reception in the Presidential Palace for scientists and representatives of the academic community. Stressing the importance of science for the general development of the country, the president turned to his decision that Croatia should terminate the mandate of UNPROFOR [UN Protection Force]. The president stressed that he is sure that this decision will contribute to a solution in the occupied territories, the normalization of relations between the states that were created with the break up of the former Yugoslavia, the strengthening of the international position of Croatia, and thereby, also the development of the country, in which education and culture, in addition to defense, have a key role. Here is a report from Branka Jergovic:

[Jergovic] Thanking them for their New Year greetings, the president addressed the guests who were, he said, influential in the formation of public opinion, and stressed that he was sure that they would all be on our side in seeking a peaceful solution.

[Begin Tudjman recording] Clearly not all aspects of life in independent democratic Croatia are functioning normally as yet, and we still find ourselves in extraordinary circumstances, in many respects war circumstances, and therefore, science also has to share this fate. Of course, all of you and all of us in the state government would like to allocate far greater and needed resources for the development of science, culture, and the arts if we did not have to take into consideration above all defense requirements. No matter how aware we are of the importance of science as a whole, culture as a whole, we must also be just as aware that without the defense of Croatia, without its consolidation, there would be no prospects for any sphere of human activity, let alone scientific or cultural activity.

There have existed cultures, civilizations, and cultured and civilized peoples that did not succeed in preserving their national and state identities and disappeared from the historical arena. We must not lose this historical opportunity that we ourselves have achieved and fought for, and we must therefore, recognize that in these areas that are not of such vital interest for the defense of the homeland we must economize for a few years.

A few days ago I told people from cultural walks of life that I would have to make a decision that would probably meet with little understanding in the world. Allow me, ladies and gentlemen, to recall that we had little sympathy for the establishment of a sovereign democratic Croatia, not only did we not have any sympathy, but those important international factors were even willing, at the end of 1991, to allow us as an independent Croatia to cease to exist. This time, too, it has been shown that this world, although it understands what they describe as the frustration of the Croatian Government and public, does not approve of the step we have taken. I think it will again be shown that our decision was right. This is a high-risk step, as they say, but it is at the same time, in my opinion, a step that will take us sooner to a solution of the occupied territories, to the normalization of relations between the states created on the territory of the former Yugoslavia. Therefore, I believe that it will again be shown that by this act, Croatia has consolidated even further its international position and that it will thereby acquire even greater respect as a factor of the new international order in East Europe and the neighboring Balkans.

Naturally, we cannot foresee with certainty how events will develop, but I am convinced that there will not be a new war between Croatia and Serbia and their Yugoslavia; moreover, I believe that the process of the peaceful reintegration of the occupied territories will continue. As you can see, traffic is flowing, thousands of automobiles are passing by.

Despite suspicions harbored by some and attempts to undermine the peace process, the current international circumstances and relations are such that.... Perhaps because of what I had said, we had to build a defense force with which they have to reckon today, both our opponents and allies. I wish to take this Opportunity to tell you that the world—the most responsible global and European factors—have resorted to all diplomatic means at their disposal to dissuade us from taking such a step; we have taken it nevertheless, on the basis of our own judgement, and we believe that both our friends and the others who must conform with reality will accept our decision, and that they will be on our side in the search for a peaceful resolution; we believe they will understand us if we are forced to take a different step.

However, we had to take this step in order to accelerate the peace process and dispel all uncertainty, not to become embroiled in war. Of course, as realistic statesmen, we—as well as the population in general—must be prepared.... As you are in a position to exert considerable influence on the shaping of public opinion both at home and abroad, I want you to be informed as objectively as possible about the intentions of the state leadership.

All of us—scientists—must take reality into account, but at the same time, as Albert Einstein said, in life and science imagination is more important than facts and truth [istina]. Therefore, it is not only important to bear in mind the realistic material and military relations, but also conclusions that cannot be derived from any facts, which come as a result of judging the overall internal and international relations in this area and further afield. When creating the democratic and independent Croatia, we followed our own judgement and have not made any mistakes so far. I believe we have not done so this time either.

With the hope that we will achieve the liberation of occupied areas soon; that we will restore sovereignty over the whole of Croatian territory; that this would give an impetus to finding a speedy solution to the crisis in Bosnia-Herzegovina, where the entire world is racking its brains, not knowing what to do with the Bosnian cauldron; that this will lead to the normalization of relations between the states created on the territory of the former Yugoslavia and the reestablishment of the new international order—it is with this conviction, to which all of us have to contribute in order to achieve it as soon as possible, with this conviction I send you my New Year's greetings, I wish you success, happiness, and health in your personal lives, success in your creative work to the benefit of your institutions, our institutions, and to the benefit of our Croatian homeland. [end recording]

Authorities Charge Ethnic Albanian Leaders

AU1701172095 Skopje NOVA MAKEDONIJA in Macedonian 17 Jan 95 p 4

["I.S."-signed report: "Charges Against Fadil Sulejmani"]

[FBIS Translated Text] Tetovo, 16 January—According to information from Velko Paunovski, president of the Communal Court in Tetovo, last year 24,800 cases came before the Communal Court, which is 20 percent up on the previous year. There were 11,950 adults sentenced, of whom 140 had private businesses and 150 worked for state companies, and there were 313 under the age of 18. In 1994, 315 foreigners were sentenced, mostly for illegally crossing the border, illegal trading, and so on, which is 300 percent more than the previous year. It is noteworthy that in 1994, compared with 1993 when there were around 1,000 cases involving falsification of educational qualifications, there were no cases of this kind at all.

As far as election activities are concerned, the Tetovo police brought criminal charges against eight people for displaying foreign flags without approval, as well as against two people for inciting national, racial, or religious hatred. We have been able to find out unofficially that charges have been brought against Miftar Zivberi from Tetovo, Sali Ramadani from Kicevo, Menduh Taci from Tetovo, Ilijaz Halimi, president of the NDP [People's Democratic Party] and Zekir Kadriu, president of this party's Town Committee in Tetovo, Dzevair Dzemaili from Borovinje, Ruhi Bahiu from Mala Recica, Arben Djaferi from Tetovo, Sazim Memeti from Gostivar, and others. Concerning the so-called Tetovo university, charges have been brought against Fadil Sulejmani, who used the mass media and hoisted a signpost saying "Tetovo University," thus inciting national intolerance. Ten charges have been brought against people who have illegally collected money for Tetovo university. The charges against these people are being processed and after the presentation of the evidence the appropriate decisions will be taken.

Gligorov, OSCE Discuss Education of Minorities

LD1701195095 Belgrade TANJUG Domestic Service in Serbo-Croatian 1815 GMT 17 Jan 95

[FBIS Translated Text] Skopje, 17 Jan (TANJUG)—Kiro Gligorov, president of The Former Yugoslav Republic of Macedonia, today received Max van der Stoel, the OSCE [Organization for Security and Cooperation in Europe] high commissioner for the human rights of national minorities, it was announced in Skopje this evening.

According to the Macedonian president's office, the talks particularly revolved around issues concerning the education of national minorities. Gligorov voiced the opinion that all difficulties could be overcome within the framework of the new Balkan state's constitutional and legal provisions.

Van der Stoel only made a brief statement following the exhaustive talks mostly devoted to problems which had arisen after the illegal opening of the Shqiptar [ethnic Albanian] university in Tetovo.

He declared that the OSCE accorded national minorities the right to open their own educational institutions, including universities, but that this had to be in conformity with the current constitution of the given state. Van der Stoel expressed his hope that "these problems will be resolved, because the preservation of the country's stability is in the interest of all national groups."

In the course of his two-day visit to Skopje, the high-ranking OSCE official met with several Macedonian government ministers (foreign affairs, justice, education, police), as well as with the leaders of the local Shqiptars.

Van der Stoel is scheduled to leave Skopje for Athens on Wednesday [18 January] morning.

Albanians Threaten To Withdraw From System

AU1701201295 Skopje NOVA MAKEDONIJA in Macedonian 13 Jan 95 p 4

[Commentary by Panta Djambazoski: "Announcements for Abandoning the System's Institutions"]

[FBIS Translated Text] Tensions related to the Albanian-language "university" in Tetovo, especially after it was proclaimed opened on 17 December by its initiators who received support from Albanian parties, have not yet eased. On the one hand, the Initiative Board did not renounce its plan for giving life to the "university" after its proclamation and, on the other hand, the Interior Ministry placed the whole "university" action outside the Constitution and the laws with respect to the decision taken by the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] Government.

A few days ago, the initiators appointed the "university team," which is headed by Fadil Sulejmani, former president of the Initiative Board. During the past month, Sulejmani was often in the local and foreign media, particularly in the Albanian media, which openly supports this idea. Tirana radio placed the "university" opening on the "golden pages of Albanian history."

Sulejmani reiterated that the "university" is a completed mission, that university personnel and bodies have been elected, and that students have been registered. Sulejmani stated to BBC in Albanian that if the police block the work of the "university," there will be strikes in Albanian-language schools in Macedonia, probably followed by demonstrations in the streets.

Political Connection

The largest party of Albanians in Macedonia, the PDP [Party for Democratic Prosperity], undertook great responsibility for the "university." As a participator in the Macedonian Government, the PDP—a party that is striving to settle national and civic questions of Albanians within the system's institutions—gave its full political support to the initiative (the proclamation on the opening of the "university" took place in the headquarters of this party in Tetovo), even though the government had forbidden it. The election of the "university" leadership was supposed to be held at the NDP [People's Democratic Party] headquarters, but it ended up being carried out in a tea room in Tetovo because of a warning from "on the spot" police.

Abdurahman Aliti, PDP president and deputy chairman of the Macedonian Assembly, in his statements has warned many times that his party is not pleased with the Macedonian authorities or their relationship toward a number of questions on the status of the Albanian minority, which is mainly represented by the PDP. He reiterated his dissatisfaction in his interview for Pristina KOHA because the authorities used the police against the "university." He even stated that [Albanian] ministers and parliament members might be withdrawn from the system's institutions.

The PDP has threatened to withdraw from the system's institutions many times, and it even did so once when its members abstained from parliament work for some time last year as a reaction to the court epilogue in the case of the "Albanian paramilitary army."

Reasons for Discontent

President Abdurahman Aliti explained the reasons for discontent. The PDP's political determination is still present in the system's institutions because that is where the positions of Albanians can be promoted. "Normally," Aliti says, "there must be cooperation with the Macedonian political factors, but it is not sufficient, and this is why we cannot have political success. We are just about to conclude that the PDP's political course should be changed," Aliti emphasized. "We have noted some symptoms that indicate a change in global policy of the Republic of Macedonia toward the Albanians, that there is a tendency for changing the course of the Macedonian state's policy toward the Albanians. As proof we have the case when the authorities closed the circulation of people on the relation Albania-Macedonia-Kosovo, the "irreconcilable" relationship of the authority toward a legal sojourn of some persons—and we say legal because it was coordinated with the authorities (Aliti is referring to the presence of 20 members at the illegal Kosovo assembly). Another instance was the deportation of these people without previous notice or a deadline. The relationship toward Albanian journalists and scientists that are not from Macedonia, and even their professional material was taken away from them, and so on". Aliti asks: "What is the logic in keeping the same political course of the PDP if it is not successful? What is the logic in the PDP's participation if it is not informed or consulted by the authorities, which, for instance, sends 450 policemen to smash in a roof?"

When asked whether the PDP could carry out the initiative for opening a university in Tetovo through the system's institutions, Aliti replied negatively. He says that it has been projected in their program that the Albanians have a right to have a university in their mother tongue and that someone else should reply why it has not been regulated so far.

We inquired at the NDP headquarters about announcements for a change in the PDP's political course. We wanted to know whether this party is taking into account similar actions.

PDP Secretary Bedredin Ibraimi says that President Aliti is turning the PDP course toward the NDP course. The political course should be harmonized among all Albanian political parties, particularly with the NDP, as Ibraimi emphasized. He also pointed out that Aliti is absolutely right in his statement. The status of Albanians, he said, will not be promoted if the same relationship of authority toward it remains. The authorities are free to interrogate people, then arrest and deport them. He emphasized that only the Ministry of the Interior is active, although the univeristy question should be solved politically—first of all with the help of the Ministry of Education. Ibraimi concluded that if this is not done, tensions will not be relaxed.

Report Analyzes Economic Transformation Policy

AU1301170595 Skopje VECER in Macedonian
11 Jan 95 p 3

[Report by S.M. Vankova: "A Strictly Controlled Survival"]

[FBIS Translated Text] After last year's many difficulties encountered by the 23 companies that are making losses instead of profits, today the system for their transformation is expected to be finally completed, as the state's last attempt to save them from total failure. Today, at the eighth session of the Assembly of Macedonia [The Former Yugoslav Republic of Macedonia], members will vote for the government's proposal on urgently passing a law on the transformation of these companies, with the aim of creating a legal base for the accomplishment of the government's special program for these companies, which was prepared in compliance with the support agreed by international financial institutions for this project.

Alongside privatization, this project is considered the greatest transitional "bite" that the government will have to "swallow" this year in order to pass the test of its readiness and skill in implementing structural reforms in Macedonia. The transformation of these huge loss-making companies is first of all intended to stop the escalation of negative repercussions on the national economy because of their poor operation, and also to avoid the enormous fall in their value in the privatization process.

Without Investment

The government is putting this bill before the Assembly with the aim of overcoming strict legal barriers to the envisaged transformational process. The law projects a number of measures and activities that lie outside legal norms of financial and bookkeeping work, the credit and banking system, the papers of value, and working relations. The aim of the government's program, and thus of the law, is to stop a outflow of cash from the companies, to reduce costs, to close down unprofitable plants, to concentrate production on sound foundations, to fire unnecessary workers, and to reorganize finances and management. New investment is excluded, except minimum profitable investment that will contribute to a more rapid and more efficient transformation.

This bill commits the 23 loss-making companies to devise operational plans for implementing their own transformational programs, in which they will have independence in selecting the methods of organizational, financial, managing, and property transformation. These complex tasks will be helped by the state first of all because this law proclaims a moratorium on interest and repayment of credit taken out before the law comes into effect, except for loans guaranteed by the government. In order to overcome this difficult financial situation, it was also proposed to convert the debts to banks, state enterprises, and the state itself into lasting investments in the company (excluding commitments to the pension fund), and other creditors of these unprofitable companies are to be given the same opportunities for making similar conversions.

It is also interesting that it is proposed that creditors could make their claim by issuing special shares for transformation. Namely, creditors can sell their claims at auction before they transform them into an investment in the company or, after they have been transformed into an investment, they can issue shares to the amount that is necessary for the transformation, and all this will be preference shares, that is without the right to vote. The investment is transformed into ordinary shares only if the creditor is a bank or another creditor who has over 70 percent of his capital in private property. After the Law on Transformation ceases to be valid (31 December 1995), there will be a compulsory auction sale of the unsold shares for transformation in all companies, except those that will remain in the hands of the state.

Special Treatment

In order to promote the financial situation of loss-making companies the deblocking of their current accounts is envisaged. However, the Department for Money Circulation will not cover loans that were taken out before this law comes into effect, except for pension and disablement funds. At the same time, it is the department's obligation to provide multilateral compensation. The debts of the loss-making companies toward international financial organizations to be covered this year will be paid by the Republic of Macedonia.

The companies will use money from the budget to cover the lack of funds during the process of transformation. This will have to be approved by the government and will be circulated by a bank chosen by the government. The money will be used only for profitable deals that have been projected in the transformation program and priority will be given to companies that have been more successful in reducing costs. The transformation is envisaged as being carried out with strict financial discipline, which means that budget funds will not be used for paying delayed salaries and that the company will have to cover all expenditure, including fiscal obligations, with its own financial means.

The law eliminates works councils in companies that are state-owned and provides for management boards. The government proposes to appoint at least one board member, who will have the necessary power in decision-making in the management of the company. The workers that will be made redundant because of the transformation will get special treatment. Before they cease work in these companies, these workers will receive all their delayed wages and dues and will also receive up to 12 average monthly salaries (one for every two years of work). The amount will be calculated on the basis of the worker's last salary, provided that it is not more than the national average wage for that month. Handicapped workers will get a special payment of 20 percent of the average wage and will be paid from the fund for pensioners and handicapped people during the next three years.

In addition, $140 million is estimated as the cost of implementing the law on transforming the 23 loss-making companies, but as ministerial spokesman Gjuner Ismail revealed yesterday, there is only $75 million in real money, the rest being fictional with the losses of the companies being calculated in it. The largest sum will be provided from this year's republican budget (4.5 billion denars), and a loan of 445 million denars is expected from the World Bank. Money for covering the lack of cash and for profitable investment in the companies will be provided from direct foreign assistance and from funds such as PHARE [Economic Reconstruction Aid for Poland and Hungary] and ECHO [expansion unknown] up to $16 million, from the sale of plant and equipment ($7 million), as well as from the commercial banks through profitable trading credits ($7 million).

[Box p 3]

Visa for Six More Gigantic Companies

The Managing Board of Macedonia's Privatization Agency gave the green light for the property transformation of six more gigantic companies in Macedonia yesterday: "Makedonija Tabak," [tobacco trading company] and the Tobacco Company "Blagoja Despotovski Sovelj" from Skopje, the Tobacco Company from Prilep, the Tobacco Company "Boro Petrusevski Papucar" from Kumanovo, Trading Company "Javor" from Bitola, and the Biscuit and Chocolate Factory "Evropa" from Skopje.

Apart from these six, 13 gigantic companies have already been transformed by the Privatization Agency, but so far only "Tutun" of Skopje, "Solun" of Gevgelija, and "Otex" of Ohrid have received the "blessing" of the government commission.

Yesterday, the Managing Board of the Privatization Agency sent the government commission 63 programs for the transformation of small and medium companies, and, we are informed by the agency, this fulfills the projections for the transformation of state companies for last year.

[Box p 3]

The Trade Union Demands Postponement

On behalf of the Council of the Confederation of the Trade Unions of Macedonia, President Zivko Tolevski yesterday sent a letter to the chairman of the Assembly and the prime minister of Macedonia, in which he informed them that he thought it necessary to postpone today's discussion in the Assembly on the draft law on transformation of the biggest loss-making companies. The letter also said that the transformation of these companies was a very important social and economic question and that this was why it was essential to hold extensive consultations about the legal solutions with our social partners.

[Box p 3]

Disinvestment Continues

Last year the tendency toward disinvestment became very deeply rooted and now it is almost impossible to reverse it in a short period. According to previous statistical data published by the Republican Department for Statistics, last year 21.3 billion denars was invested in the Macedonian economy, 95.8 percent more than in 1993. The ratio of total investment to GNP was only 16.8 percent. However, if this percentage is connected to amortization, and its ratio to GNP was 14.2 percent, we can see that there was a very high degree of disinvestment in production.

According to the structure of investment, 52.4 percent of the investment was in production, meaning that 47.6 percent was not. Up to 60.2 percent of investment was in the private sector, compared with 39.8 percent in the public sector.

Census Statistics Summary on Nationalities

AU1301123295 Skopje NOVA MAKEDONIJA in Macedonian 11 Jan 95 p 2

[Report by M. Zlatanovic: "A Hodgepodge in the Structure of the Population"]

[FBIS Translated Text] According to the latest census data that was obtained last year, there are 1,963,877 citizens, of whom 1,288,330 are Macedonians, 442,914 Albanians, 77,252 Turks, 43,732 Romanies, and 39,620 Serbs in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia]. In addition, there are 8,467 Vlachs, 34,960 of 33 other nationalities, and 1,962 said that they did not belong to any nationality.

In the country's capital there live 541,280 people, of whom 354,377, or 65.5 percent, consider themselves Macedonians, 112,914 or 20.9 percent Albanians, 12,639 Turks, 20,966 Romanies, 2,229 Vlachs, 19,664 Serbs, 1,060 who said that they do not belong to any nationality, and 17,431 who said that they belonged to other nationalities. The largest commune in Skopje is Kisela Voda with 145,955 citizens, of whom there are 14,989 Albanians, 4,184 Turks, 1,313 Romanies, 930 Vlachs, and 4,855 Serbs. The next largest is Karpos with 125,756 citizens, of whom 83,783 are Macedonians and 31,100 Albanians. In the Gazi Baba Commune there live 99,594 citizens, of whom 68,786 are Macedonians and 20,504, or 20.6 percent, Albanians. There are 85,489 citizens in the Cair Commune, of whom 39,545 (46.3 percent) are Macedonians, 23,125 Albanians, 12,706 Romanies, 4,025 Serbs, 2,575 Turks, and 173 Vlachs. The Centar Commune is the smallest commune in Skopje with 84,486 citizens, of whom 56.1 percent (47,407) are Macedonians, 23,196 Albanians, 5.2 percent are Turks, 3.7 percent Romanies, 3.3 percent Serbs, and 0.6 percent Vlachs.

Tetovo is the largest commune in Macedonia with 174,748 citizens, of whom over 20 percent (35,186) are Macedonians, while there is a far larger number of Albanians—130,880 (74.9 percent). The national structure in Gostivar is similar, where 19,682 are Macedonians, 69,610 Albanians, 13,565 Turks, around 2,000 Romanies, 263 Serbs, and 11 Vlachs. In Debar there are nearly 46 percent (12,138) Albanians, 6,865 Turks, 5,449 Macedonians, 1,110 Romanies, plus another 1,000 citizens of other nationalities, making a total population of 26,449. In Kicevo there is a characteristic national structure, too, with 53,044 citizens, of whom 26,310 are Albanians, 20,829 Macedonians, 3,840 Turks, and 1,393 Romanies.

In Struga there are 62,305 citizens. Here the number of Macedonians and Albanians is almost equal. There are 45.4 percent Macedonians (28,259), 44.7 percent Albanians (27,840), 5.3 percent (3,268) Turks. In Resen there are 13,927 Macedonians, 1,891 Turks, 1,694 Albanians, and a couple of hundred belonging to other nationalities.

The total population of Ohrid is 60,841, of whom there are 52,643 Macedonians, 2,789 Albanians, 2,374 Turks, while 3.8 percent belong to other nationalities. In Bitola there live 96,358 Macedonians, 3,970 Albanians, 1,835 Turks, 1,679 Romanies, and, together with members of other nationalities, the total number is 106,012. In Prilep there are 93,248 citizens, of whom 88.0 percent (82,032) are Macedonians, 3,901 Turks, 3,735 Romanies, and 1,657 Albanians. In Krusevo there live 11,891 citizens, of whom there are 6,671 Macedonians, 2,757 (23 percent) Albanians, 889 Vlachs, and 664 Turks. The Kumanovo Commune is among the largest in the country with 126,543 citizens, of whom there are 65,004 (51.4 percent) Macedonians, 45,637 (36.1 percent) Albanians, and 11,612 Serbs.

This is a short review on the most characteristic communes in relation to the national structure. There are some other types of communes, particularly in the eastern part of the country, such as Berovo, where there is one Albanian, two Vlachs, 42 Serbs, 425 Turks, 684 Romanies, and 18,567 Macedonians. There are some communes where there are no Albanians, such as Vinica with 19,010 citizens, of whom there are 877 Romanies, 244 Turks, and 155 Vlachs in addition to Macedonians. The same is true of the following: Kavadarci, Kocani, Kratovo, Kriva Palanka, and Probistip.

Historical Context Promotes Fear of War

AU1801103395 Skopje NOVA MAKEDONIJA in Macedonian 14 Jan 95 p 13

[Commentary by Zoran Petrov: "The Key Is in Our Hands"]

[FBIS Translated Text] Macedonia [The Former Yugoslav Republic of Macedonia] has an enormous historical legacy. This is always going to be the starting point in defining its security and in forecasting its future development and general survival. The problem with Macedonia, as it is often emphasized, is that it has never been occupied "in a civilized manner." Macedonia has always been annexed to its neighboring countries, it was divided among them, and its population has always been terrorized with the aim of changing its national affiliation. Accordingly, there are no assumptions that in a possible aggression the stance of the aggressor will be different, and therefore this defines the character of such a hypothetical defensive struggle. This assumption, although definitely simplified, alongside the hypotheses and the interference of interests around Macedonia in a certain historical moment or concrete development of the events, must be taken into consideration. The "sowers" have long ago scattered the seeds of hatred in this region, and the flowers of evil will sprout even after their departure from the historical scene. This is the reason why we often quote a topic that has been constructed of two seemingly different terms—"Macedonia" and the "war," that will for long remain in fact as a fatal connection or mythology in Balkan fatalism.

Nothing New in the West

Speaking about political security in and around Macedonia we must emphasize that it represents a part of the general situation in the entire Balkans. Consequently, neither the Bosnian war that is for many a consequence of the armed conflicts in Slovenia and Croatia, that is the bloody break-up of Yugoslavia, can be isolated nor can its spreading be stopped. Actually, one of the most natural characteristics of every war is its tendency to spread to more and newer territories, and to get as many nations as possible involved.

Nevertheless, something is going on in Bosnia. At least it looks like cautious and small actions are being taken for the first signs of peace. This was indicated by the meeting two days ago between the Serbian and Muslim army commanders on opening key humanitarian corridors and on a four-month general truce. Something is also going on in Croatia. Hospitality to the UNPROFOR [UN Protection Force] has been denied, and successful negotiations are made with the Knin Serbs. Washington expresses concern because the mandate of the UN forces has been canceled. This can open possibilities for a new escalation of armed conflicts in this part of former Yugoslavia. Actually, once again we have seen the turbulence of the Balkan region and before the announcement of a new truce arrives, there comes an announcement of a new focus of war. Numerous analysts explain this circle by the need of the Serbian master of the war game Milosevic to stay in power, and he can accomplish this only by provoking new and constantly dangerous hotbeds of crisis.

Normally, Macedonia is one of them, as a variant in reserve. It has already been defined as a region that objectively gravitates toward the entire Balkan situation, and we can say that the situation there [in Macedonia] is far from stable and it is characterized by frequent pressure from the neighbors. Parallel to war threats from the northern and the southern side we must not forget about the continual intelligence activities and about the more apparent propaganda and psychological actions that have been actively applied against Macedonia as a special war.

On the other hand, the international factors, particularly the United States as the world's leading political power, are still having serious concerns about their stances toward Macedonia. It is true that this year it will be two years since the arrival of U.S. soldiers in our state, and it is true that less than two months ago a memorandum was signed on Macedonian-U.S. military cooperation. But it is also evident that all further actions of the U.S. Administration are under the shadow of the artificially created dispute with Greece. Actually, it has become more than just clear that full Macedonian integration into the world's institutions will not be an easy and simple process at all, that it will be determined by foreign, and particularly by internal factors.

The Grip Clenches

On one occasion, while making a prognosis on the developments in and around Macedonia, Colonel General Todor Atanasovski said that there is little likelihood that some of the neighbors might decide to make an aggression in the form of a classical military invasion against Macedonia. He said that it is more probable that the same foreign forces might be engaged in accomplishing their goals by provoking interethnic conflicts. His prognosis—that if another state starts a war it will begin with an internal spreading of the conflicts, after which we might expect a direct foreign interference—

was accepted by many other military experts and analysts. It has to be underlined that Macedonia has already passed the test on internal stability so far (Bit-Pazar in November 1992, the Albanian paramilitary army in the same month of the next year, and the elections in October 1994).

The problem with Macedonia, as has been emphasized so many times, will have to be solved inside Macedonia itself. In other words, the answer to the question whether this part of the Balkan Peninsula can be affected by war mostly depends on the internal relations and stability in the Republic of Macedonia. The focus of the battle for peace in the state will remain as it now is concentrated on its interethnic relations. Of course, this is not the only, but for now it is the strongest factor that threatens the whole region. Observing it in this framework, the latest initiative for opening the so-called university in the Albanian language in Tetovo, by its transparency and specific political weight, represents a simple logical and expected continuation of the strategy for a full destabilization of the state. At this moment it is crystal clear that the function of the so-called phantom university is to make it grow in a kind of a political cornerstone that will end the dialogue, and this has been so far a very typical form for overcoming interethnic different interests.

Actually, this is something that the leaders of the parties of the Albanian minority have already started to announce. According to what we can remember, the main campaign issue of these parties in the elections was their call for giving the ethnic Albanian population in the republic the status of a nation, and that represents a political definition for all the further projected turbulences. Actually, "Ilirida" [the name of the planned independent Albanian entity in Macedonia], the illegal referendum, and now the Tetovo "university" are nothing but a continuation of such a projected platform.

We are intentionally and consciously pointing out this question as a decisive factor for the stability in Macedonia. All the rest, as the matters are now—the war in Bosnia, the confusions in Croatia, the UNPROFOR in Macedonia, and even the Greek embargo—are of a secondary character in defining the future possible development of events in Macedonia. Ultimately, if we want others to help us, we must first help ourselves. The key is in our hands.

Federal

Belgrade Demands Firm UN Warning to Zagreb

LD1701204295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1954 GMT 17 Jan 95

[FBIS Translated Text] New York, 17 January (TANJUG)—Yugoslavia's ambassador to the United Nations Dragomir Djokic met on Tuesday [17 January] at his own request with the chairman of the UN Security Council, Emilio Cardenas, with whom he discussed several issues pertaining to the crisis in the region of the former Yugoslavia.

Djokic stressed that he had expected the Security Council to issue a more resolute warning to Croatia over its demand for UNPROFOR's [UN Protection Force] withdrawal than was contained in the presidential statement adopted on Tuesday.

The Yugoslav ambassador also pointed to the Muslim attacks and provocations in the Bihac area, and discussed the work of the Sanctions Committee, chaired by Cardenas since the beginning of this year. According to Djokic, Croatia should have been advised in stronger terms about "the unforeseeable consequences of UNPROFOR's withdrawal and its own responsibility for this, which, unfortunately, was not done".

The Yugoslav ambassador underlined the dramatic humanitarian situation in Yugoslavia and demanded that the Sanctions Committee meet as soon as possible to review several current demands for humanitarian imports, mainly of natural gas from Russia.

In Djokic's words, Cardenas said he would try to improve the efficiency of the Sanctions Committee and that the Security Council was attentively scrutinizing the development of the situation in Bosnia, as well as in Croatia in the light of the demand for the peacekeepers' withdrawal.

SPO Warns Tudjman Made 'Dangerous Move'

LD1701185395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1442 GMT 17 Jan 95

[FBIS Translated Excerpt] Belgrade, 17 Jan—Milan Komnenic, chairman of the Executive Committee of the Serbian Renewal Movement (SPO), said today that the decision of Croatian President Franjo Tudjman to terminate the mandate of the UN peacekeeping forces was a "dangerous move."

Speaking at a news conference, Komnenic stressed that in accordance with the provisions of the Vance plan, UNPROFOR [UN Protection Force] soldiers should be retained in the Republic of Serbian Krajina until a political solution is reached.

"If Zagreb takes the steps which Tudjman has indicated, the SPO believes that conflicts could break out. Serbia and Montenegro have undertaken to intervene if the rights of the Krajina Serbs are violated, and the withdrawal of UNPROFOR would mean their violation," he added.

Komnenic nevertheless considers that Tudjman is using what he called "bombastic" rhetoric for internal political reasons because in Croatia, both his own and his party's popularity are in decline.

According to the SPO executive committee chairman, Tudjman is taking advantage of the fact that last week's UN Security Council resolution on extending the suspension of sanctions by another 100 days has written into it an amendment referring to Krajina.

This decision, Komnenic considers, plays into the hands of Serb, Croatian, and Muslim radicalism because it "encourages those who believe that war is the solution for both Krajina and Bosnia." [passage omitted]

Officials: Sanctions May Endanger Peace Process

LD1501205395 Belgrade TANJUG in English 2033 GMT 15 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 15 (TANJUG)—Two Yugoslav officials said Sunday the U.N. resolution on extending suspension of selected sanctions against Yugoslavia under new conditions could have an adverse effect on the peace process. Yugoslav Assistant Foreign Minister Nikola Cacinovic said the U.N. Security Council has continued a "policy of gross violations of the U.N. charter and disregarding the factual situation."

Instead of lifting sanctions, "they suspended them for another 100 days and added stricter terms on Yugoslavia in connection with the transport of goods across the territory of the Bosnian Serb republic and the republic of Serb Krajina," said Cacinovic in a statement to Kragujevac Radio, central Serbia. Cacinovic voiced concern that such a decision might negatively reflect on the peace process and added that it encouraged the forces of war.

The U.N. Security Council imposed comprehensive and binding sanctions against Yugoslavia in May 1992 over its alleged involvement in the civil war in Bosnia-Herzegovina. The council adopted the first resolution suspending selective sanctions for 100 days in early October last year.

Ruling Socialist Party of Serbia Executive Board member Vladimir Krsljanin said the latest resolution was a step backward at a time when all the conditions existed to make a step forward, as embodied in the achievements of the peace process in Bosnia-Herzegovina.

In his view, a positive element was that the resolution envisaged that the procedure in the U.N. Sanctions Committee regarding humanitarian aid deliveries to Yugoslavia be stepped up.

The non-governmental organization "Bela Ruza" (White Rose) protested the "anti-Serb amendment" in the latest resolution which introduces an embargo against the Serbs in Bosnia and Krajina and in fact tightens sanctions against Yugoslavia.

Lilic Thanks Husayn for Pardoning Citizens

LD1701201695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1507 GMT 17 Jan 95

[FBIS Translated Text] Belgrade, 17 Jan (TANJUG)—Zoran Lilic, the president of the Federal Republic of Yugoslavia [FRY] has sent a message to Iraqi President Saddam Husayn, with expressions of sincere gratitude for his decision to pardon Yugoslav citizens Ranko Marjanovic and Milan Fatic.

As the general secretariat of the FRY presidency says, President Lilic's message reads:

The Yugoslav Government and public see your positive reaction to our appeal as yet another gesture of friendship, of your personal understanding and humane approach to resolving this problem.

I would like to pass on to you the sincere gratitude of the families of the released citizens for your personal efforts and human understanding.

Zebic Holds Talks With Zimbabwean MP's

LD1701232795 Belgrade TANJUG in English 2004 GMT 17 Jan 95

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Jan. 17 (TANJUG)—Yugoslav Deputy Prime Minister and Finance Minister Jovan Zebic on Tuesday said the Federal Republic of Yugoslavia had stable economic trends despite the U.N. sanctions. Zebic said this during talks with a delegation of Zimbabwean MPs [members of parliament], headed by Zimbabwean Parliament Deputy Speaker Naison Ndlovu. He expressed gratitude to Zimbabwe for its principled support to Yugoslavia in the United Nations at a most difficult time.

The U.N. Security Council in May 1992 imposed comprehensive sanctions on Yugoslavia over Yugoslavia alleged involvement in the civil war in neighboring Bosnia-Herzegovina. Zimbabwe had voted in the Security Council against the imposition of sanctions.

Zebic and the Zimbabwean MPs agreed ample possibilities existed for joint ventures and cooperation between the two countries. In this context, Ndlovu pointed out successful work of Yugoslav companies in Zimbabwe in the past. Serbian Deputy Premier Slobodan Babic received the Zimbabwe delegation Tuesday. During the talks, the two sides agreed that the crisis in the former Yugoslavia must be resolved peacefully and pointed out the need for lifting sanctions against Yugoslavia.

Merchant Fleet Stranded in Foreign Ports

AU1501203595 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 12 Jan 95 p 13

[Article by Savo Gregovic: "Leasing Means Servicing Our Ships"]

[FBIS Translated Excerpt] The partial lifting of sanctions against the FRY [Federal Republic of Yugoslavia] has only revived the passenger part of the port of Bar, from which four ships go to and arrive from Bari, in Italy, every day. Of these, three ships are foreign. They have been leased to boost traffic. As regards the Yugoslav fleet, only the St. Stefan ferryboat is in service. Other ships from our merchant fleet continue to be stranded in foreign ports or are moored near them. They are waiting for a new round of easing of sanctions (as they were not included in the first) or the total lifting of sanctions.

The question that is currently being asked by the seamen and other quarters is what will happen to the one time strong fleet that meant a lot to the economy of Montenegro and the former Yugoslavia.

Among The Most Respected

Before the blockade was introduced against the FRY, the Yugooceania of Kotor and the Prekookeanska Plovida shipping companies had a fleet of about 40 ocean vessels and employed some 3,000 experienced seamen, among the most respected in the world. The fleet represented about 15 percent of Montengro's capital assets. After two and half years since the introduction of the embargo, that fleet has been reduced by two ships, the Boka and the Kupres, which were sold in Malta. The Prvi Februar and the Admiral Zmajevic experienced the same fate in Chinese ports. The Kapetan Martinovic, which was moored in South Georgia, has recently changed ownership. In addition to these vessels that were owned by Jugooceanija, the ships Crna Gora, Rumija, and Bar, which are owned by the shipping company from Bar, were also auctioned off.

How Did This Happen, and Why?

Following the adoption of the UN Security Council Resolution 820, all vessels were impounded where they happened to be when the resolution was passed. They were isolated at the docks and were banned from starting their engines but, according to international regulation, are still liable to pay considerable mooring fees, taxes, and other costs. We are talking about enormous daily dollar fees at a time when no income is earned and it is difficult to secure funds. Some harsh regulations were set: When liabilities reach one third of the vessel's value, the vessel may be auctioned off. The vessels are usually sold for a small amount of money.

"At the request of French creditors in the port of Dunkerque, we were forced to sell the Rumija for only $700,000," said Jusuf Kalamperovic, assistant director of the Prekookenska Plovidba, who "mastered his trade" as minister of transportation and communication in the Montenegrin Government. We sold the Bar to the port of Norfolk for $1 million. The Rumija [as published] was earlier simply seized in Rotterdam. It was sold for next to nothing to pay creditors. [passage omitted]

SDA Dismisses General Secretary in Sandzak

LD1601174295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1615 GMT 16 Jan 95

[FBIS Translated Text] Novi Pazar, 16 Jan (TANJUG)—The coordinating body of the Party of Democratic Action [SDA] of Sandzak has dismissed Rasim Ljaljic, the general secretary of this party, accusing him of erroneously conducting policy and interpreting Muslim interests.

The coordinating body, which is made up of the extremist wing of the SDA led by Sulejman Ugljanin, accused Ljaljic at a meeting on 14 January of breaking up the party and holding secret meetings with representatives of the authorities.

Ljaljic did not recognize the state of emergency officially declared by the coordinating body at the beginning of September 1994 when it suspended all organs of this party.

The general secretary of the SDA does not recognize the legitimacy of the coordinating body despite the fact that it has the support of Ugljanin, who is abroad. Ljaljic said he is ready to verify his own legitimacy in elections.

Serbia

Electricity Board Imposes Nationwide Power Cuts

AU1701173895 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 17 Jan 95

[FBIS Translated Text] Today's electricity consumption in Serbia has been extremely high, so all electricity boards have started imposing power restrictions as of 1200, apart from the Belgrade Electricity Board, which began these at 0800. We have been told by the Electricity Generation Industry Information Center that the cuts will last until 2400, and will be divided into two groups of three hours each [as heard].

Djindjic Criticizes UN 'Ultimatums and Blackmail'

LD1601171895 Belgrade TANJUG in English 1605 GMT 16 Jan 95

[FBIS Transcribed Text] Belgrade, Jan. 16 (TANJUG)—Serbian opposition Democratic Party President Zoran Djindjic on Monday said the latest U.N. Security Council decision on continued suspension of sanctions against Yugoslavia under new conditions was another ultimatum.

Djindjic said in a meeting with head of the regional centre of the European Union [EU] monitoring mission Marcel Cintalan and head of the French delegation to the E.U. monitoring mission Maurice Bonnot that the Security Council decision was "a continuation of a policy of ultimatums and blackmail which has already shown its shortcomings." The talk between Djindjic and the E.U. monitoring mission officials was devoted to the crisis in the former Yugoslavia.

The U.N. Security Council in late May 1992 imposed comprehensive mandatary sanctions on the Yugoslav Federation of Serbia and Montenegro because of alleged Yugoslav involvement in the civil war in neighbouring Bosnia-Herzegovina.

The sanctions relating to air and ferry links, sports and culture were suspended for a period of 100 days in early October last year, and again for 100 days more but under new conditions on Jan. 12 this year. The new conditions, relating to the movement of goods between Yugoslavia and the republic of Serb Krajina, were introduced at the proposal of the United States.

Serbs in Croatia set up their own state, the republic of Serb Krajina in 1991, after Croatia launched a war of secession from the former Yugoslavia and removed Serb national rights from the Croatian Constitution.

Government Passes Decree for Returnees to Kosovo

LD1601222295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1510 GMT 16 Jan 95

[FBIS Translated Excerpt] Belgrade, 16 Jan (TANJUG)—All those who left Kosovo-Metohija and are interested in returning and settling in Kosovo again will be granted a 40-year loan and given free land to build new homes and purchase property.

This provision is contained in a decree passed by the Yugoslav Federal Government on 13 January and designed to regulate the way and criteria for allocating residential property, land, and loans to professionals and everyone wanting to return to Kosovo-Metohija.

The aim of the decree is to help enforce the law on securing accommodation for professional cadres and facilitate the return to the Autonomous Province of Kosovo-Metohija and to pave the way for implementing a government program to resettle 100,000 Serbs and Montenegrins in Kosovo-Metohija.

Under the decree, to qualify for residential property, land or a loan, citizens must submit a written request to the authorities in the municipality where they wish to settle. The request will then be sent to the Federal Government's commission responsible for finding accommodation for professional cadres and citizens who wish to return to Kosovo-Metohija. [passage omitted]

Opposition Parties Concern for Independent Media

AU1401202595 Belgrade BORBA (Alternative Edition) in Serbo-Croatian 13 Jan 95 p 2

[S.N.A.-attributed report: "DS Has Launched An Initiative for Convening an Extraordinary Session of the Chamber of Citizens To Discuss BORBA"]

[FBIS Translated Text] Belgrade—In the organization of the media's independent trade unions, the third discussion forum entitled "Our Struggle Is Your BORBA [Struggle]" was held last night. Although the organizers had expected the leaders of all opposition parliamentary parties of Serbia to come to the main hall of the Stari Grad assembly building and discuss the current situation in the media, the only party leader that came was Vojislav Kostunica, president of the Democratic Party of Serbia. The Citizens Alliance of Serbia was represented by its vice president Zarko Korac. The session was also attended by Ratomir Tanic of Nova Demokratija, Ljiljana Lucic of the Democratic Party, and Rajko Goranovic, spokesman for the Serbian Radical Party.

Analyzing the current situation in which the media have found themselves, Kostunica said: "I think that the problems that have arisen in the media will lead to the gathering together and the homogenization of democratic and political forces in Serbia, and that each of us will again ask ourselves what we have done to somehow improve the situation."

In an attempt to answer the main question, namely what the Serbian opposition intends to do to help independent media, Zarko Korac said that the Serbian Government has in fact never accepted the idea of political pluralism: "I am convinced that the situation will not radically change until the citizens of Serbia vote for changes," he said.

Ljiljana Lucic, secretary of the Democratic Party, said that the Democratic Party has launched a new initiative in the Federal Assembly. The party yesterday started a new round of consultations with the parliamentary parties in order to convene an extraordinary session of the Chamber of Citizens at which deputies would discuss confidence in the Federal Government.

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